

The NATIONAL UNDERWRITER



"But I didn't mean to steal!"

HUMAN frailty in the face of temptation is always saddening. Tragic, too, are the losses which fall heavily on so many employers—because they fail to understand one all-important fact about the ever-present threat of embezzlement.

That fact, startling to many, is this: Embezzlers are *not* criminal types. A recent analysis of 1,001 actual cases shows that the vast majority are normally honest men and women—tried and trusted employees—who have weakened under the pressure of personal emergencies, "borrowed" from their employers, found themselves unable to repay, then continued to take more.

The judgment of the American business man, sound in most circumstances, is far from infallible in appraising human character. Because the rank and file of employees are honest, he frequently fails to protect himself against the possibility of dishonesty, with results dis-

astrous to his business. Employee defalcations take a yearly toll of some \$200,000,000—causing more losses than fire.

Widening Your Market for "Fidelity"

Advertisements similar to this one, in *Time* and other publications, are telling business at large about the hazards of embezzlement, about our new book, "1,001 Embezzlers," and about the new, simplified Fidelity Bond forms of the U. S. F. & G.

Don't let any employer among your clients suffer a loss through embezzlement—and then wake up to discover that *you could have protected him*. Take advantage of the public interest aroused by our magazine advertising. Use "1,001 Embezzlers" book and the new, simplified forms to help you write new Mercantile Fidelity business. There are plenty of opportunities to sell *Fidelity* among the employers in your own files.



*United States Fidelity
and Guaranty Company*

WITH WHICH IS AFFILIATED
Fidelity & Guaranty Fire Corporation
HOME OFFICES: BALTIMORE

THURSDAY, MAY 6, 1937



THIS ADVERTISEMENT

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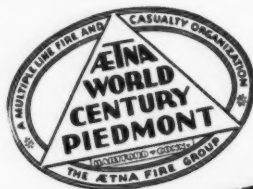
"That fire insurance agent sure earned his commission"

What a load off your mind and
a load off your back the insur-
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Representing a stock fire
insurance company — such as
Aetna — he is always ready to
come and work out the details
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He is interested in seeing that

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In return for his commission,
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ing clients how to reduce their
insurance costs.

This helpful service is only
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most people place their fire in-
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Actually, more than 80% of all
fire insurance is written by
companies organized on the
good old American principle
of stock ownership.



THE AETNA FIRE GROUP
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WORTHWHILE!

THE STANDARD FIRE INSURANCE POLICY OF THE STATE OF NEW YORK

LECTURES
UNDER THE AUSPICES OF
VARIOUS ORGANIZATIONS

BY
JULIAN LUCAS
PRESIDENT OF DAVIS, DORLAND & CO.

This authoritative reference booklet by Julian Lucas, able underwriter, and insurance man of ripened experience, interprets in layman's language the conditions and stipulations of the New York Standard Fire Insurance Policy. It is a compilation of various lectures given by Mr. Lucas under the auspices of numerous insurance, civic and business organizations.

Anyone at all interested in insurance will find this booklet informative. A copy is yours on request. Simply fill in and return the coupon.



North British & Mercantile Insurance Co., Ltd.
150 William Street, New York, N. Y.

Date _____

PLEASE SEND ME WITHOUT OBLIGATION A COPY OF JULIAN LUCAS' "THE STANDARD FIRE INSURANCE POLICY."

Name _____
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Security for American Property Owners Since 1841

The Statue of Liberty on Bedloe's Island, New York Harbor, was presented to the United States by France and was unveiled on October 28, 1886. The total cost was about \$1,000,000, raised in France by popular subscription. The statue weighs 450,000 pounds (225 tons); 40 persons can stand in the head, and 12 in the torch. Liberty carries in her left arm, pressed against her side, a book representing the Law, which has on it the date, in block letters, July 4, 1776, denoting *Liberty based on Law*.

To the returning voyager, to the immigrant coming to America, this great Statue of Liberty, lights the way to a haven of freedom and

Security



Kaufman & Fabry

SECURITY creates confidence. The SECURITY INSURANCE COMPANY of NEW HAVEN, with its nearly a century of operations and its solid New England background, has earned the confidence of its agents in the quality of indemnity SECURITY policies afford their clients.

Do Business with a Strong American Stock Company Operating Through Responsible Agents

HOME OFFICE
NEW HAVEN, CONNECTICUT



WESTERN DEPT.
ROCKFORD, ILLINOIS



PACIFIC DEPT.
SAN FRANCISCO, CALIF.



**WEEKLY
NEWSPAPER
OF
INSURANCE**

The NATIONAL UNDERWRITER

Forty-first Year—No. 19

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, MAY 6, 1937

\$4.00 Per Year, 20 Cents a Copy

Grace Elected by Louisiana Agents

All-Time High Registration of 335 Marks Society's Annual Meeting

SYMPOSIUMS POPULAR

Dunbar Represents National Association—Rating Bureau Men Explain Functions—Beling Gives Talk

NEW OFFICERS ELECTED

President—Thomas C. Grace, Baton Rouge.
Vice-president — Albert Dreyfuss, Shreveport.
Secretary-treasurer—Carrol S. Mayer, Baton Rouge.
Business Manager—R. Lea McClelland, Baton Rouge.
Executive Committee—Albert Dreyfuss, Shreveport, chairman; C. P. Gould, New Orleans; Alvin S. Hahn, Winnfield; A. H. Petrie, Alexandria; O. Horton Brown, Monroe; B. N. Sweeney, Rayne.
National Councillor—Matt G. Smith, Baton Rouge.

By FRED B. HUMPHREY

A new all-time registration high of 335, the election of Thomas C. Grace of Baton Rouge as president and two educational symposiums were among the highlights of the Louisiana Insurance Society's annual meeting in Monroe. The registration exceeded the previous high by 74 and the excellent program attracted a maximum attendance at every session.

The elimination of non-licensed companies and payment of standard commissions to local agents on all business were urged in the resolutions. The writing of automobile insurance for automobile finance companies was condemned. The 20 percent additional premium cost for the removal of the \$25 limitation clause on tornado policies and supplemental contracts was held to impose too high a burden on those with high values.

Disapproval was voiced of a case in which a special agent placed his business and a branch office wrote it and paid part of the commission to the special agent. The Fire Companies Adjustment Bureau's plan to secure a group contract for public liability and property damage coverage on its representatives' automobiles was condemned and cancellation of the contract asked.

The Louisiana Casualty & Surety Rating Commission was asked to give consideration to agents in the question of assigned risks when it takes over compensation insurance.

General insurance issues were reviewed by Arthur B. Dunbar, Omaha, Neb., National association executive committeeman. He said strong trade or

(CONTINUED ON PAGE 15)

Ultimatum in St. Louis in Marsh & McLennan Tangle

ORDERED TO DROP COMPANIES

Association Members Must Resign All in That Office—Affects 24 Companies in 123 Agencies

ST. LOUIS, May 5.—The executive committee of the Fire Underwriters Association of St. Louis having declined to permit the transfer of the Class 1 membership in that organization held by Case, Thomas & Marsh to the new firm of Marsh & McLennan-Case, Thomas & Marsh, organized late last year as a Missouri corporation but said to be controlled by the Marsh & McLennan interests of Chicago, the committee has sent out 30-day notices to all of its members that represent any of the fire companies in the Marsh & McLennan-Case, Thomas & Marsh office that they must either drop representation of such companies or else resign their membership in the association.

June 10 Set as Deadline

The notices sent out in regard to the Marsh & McLennan-Case, Thomas & Marsh situation went to member agents who represent 24 companies, and in all 123 agency connections are affected by the 30-day notice which gives the agents until June 10 to comply with the recommendation of the executive committee.

Companies affected are the British America, U. S. Fire, Westchester, Allemania, Western Assurance, Richmond, North River, London Assurance, Manhattan, Union of Paris, Fire Association, Reliance, Lumbermen's, Home of New York, National Liberty, Franklin, Baltimore American, City of New York, New Brunswick, Harmonia, Southern, Aetna, World and Century with from one to 24 agency connections.

Report Others Notified

It is understood also that similar notices are to be sent out to members representing the Firemen's, Pacific National and Pearl groups, all of which are said to have local agents who are not members of the Fire Underwriters Association.

Some time ago it was revealed that the Firemen's group had 28 member and 19 non-member agents in St. Louis. It is understood fewer member agents would be affected in the Pacific National and Pearl situation.

Will Consider Uniformity At a Meeting in Chicago

Representatives of the Eastern Underwriters Association, Western Underwriters Association, Southeastern Underwriters Association, Pacific Board and the Explosion and Tornado Conferences will meet in the rooms of the Chicago Board next Wednesday in the endeavor to agree on a uniform additional hazard supplemental contract. Each jurisdiction will submit its forms and consideration will be given to the differences and the extent to which sections are subject to particular hazards. Among the questions to be considered

Report Agreement Is Near With the First Bank Stock

AGENCY LEADERS INTERCEDED

Protest Was Made Over Extension of Its Local Agency Operations in the Northwest

ST. PAUL, May 5.—While neither bank officials nor insurance men were prepared to make a definite announcement it is understood that an agreement has been reached in the dispute over bank agencies maintained by affiliates of the First Bank Stock Corporation. Spokesmen for both the agents and the First Bank Stock admitted that differences have been pretty well ironed out and that a definite statement may be forthcoming within a week.

This matter came in for considerable discussion at the recent National Association of Insurance Agents meeting at Omaha. The First Bank Stock is affiliated with First Bancredit, which is now pushing its premium financing plan among fire and casualty companies. The argument put forth at Omaha was that if the First Bank Stock does not intend to stand by the bank agency agreement of the National agency body, then agents would be justified in fighting the premium financing plan of the First Bancredit.

First Bank Stock controls some 100 banks in Minnesota and adjoining states. Many of these banks maintain insurance agencies though a large number of them were established before the bank agency agreement was made.

Hail Premiums May Run to Treble Writings of 1936

At the rate at which hail business is now being reported, the 1937 season promises to be at least twice as good as the results last year and the premiums may be treble what they were in 1936. Business is now being reported from Kansas, Texas, New Mexico, Nebraska, Missouri, Iowa and Illinois. Crop conditions are excellent throughout most of that territory although Texas lacks subsoil moisture. There is some concern because of the excessive rainfall in parts of the northwest. This threatens to delay the planting of spring wheat. No losses have yet occurred.

An exceedingly dry April for the western two-thirds of Kansas is causing some alarm for the wheat crop, which has indications of being the largest crop since 1931 if badly needed moisture is not too long delayed. Following a fairly wet March, the lack of moisture in April is a disappointment. Only .57 inch was recorded in Wichita, the driest in 42 years. Southeastern Kansas continued to receive excessive moisture which has delayed planting of oats and corn.

will be the sitdown strike coverage on policies written under separate riot and civil commotion contracts and the various additional hazards covered under the supplemental contract which are eligible to Forms 3 or 3-C or the western superior risk fire forms.

Considers Buyers' Sit-Down Problem

Comprehensive Treatise Goes to National Electrical Manufacturers Association Members

ALL ASPECTS ARE TREATED

Insurance Committee of Trade Organization Prepares Authoritative Statement on the Complex Situation

A comprehensive statement of the policyholders' insurance problem in connection with sit-down strikes and suggestion for a proper insurance program under the circumstances are contained in a pamphlet, "Riots, Strikes," published by the insurance committee of the National Electrical Manufacturers Association. W. C. Babbitt, the author, checked his material with the National Board, Eastern Underwriters Association, Explosion Conference, Inland Marine Underwriters Association, National Automobile Underwriters Association and plate glass division of National Bureau of Casualty & Surety Underwriters.

Mr. Babbitt recommends that policies, particularly those covering property risks, be examined to determine whether coverage is effective under conditions of "riot, riot attending a strike, civil commotion, insurrection; strikes not involving rioting, etc.; malicious damage, sabotage, vandalism."

He recommends wherever present fire policy does not cover one or more of the following, that prompt consideration be given to the desirability of covering such risks, namely: Fire caused by riot, commotion, etc.; fire following an explosion caused by riot, etc.; explosion caused by riot, etc.

Should Review Cover

Forms that fail to provide coverage against riot, strikes not involving rioting, malicious damage, etc., should be reviewed to determine whether there exists any risks deemed serious and for which insurance should be provided.

"Any additional coverage purchased whether in the form of riot or vandalism or other endorsement of existing policies," the pamphlet states, "or the taking out of new insurance should be on the basis of indicated need. The stampeded or panic stricken attitude has no place in insurance buying. With even less to recommend it, is any head-in-the-sand attitude which fails to determine as well as possible what the risks are, what may be safely assumed and what should be covered by insurance."

Mr. Babbitt states that the information that he gives in the pamphlet on various specialized forms or endorsements is not to be taken as a recommendation for their general adoption. They are designed for particular circumstances and are valuable thereunder.

Individual circumstances and conditions should be weighed in connection

(CONTINUED ON PAGE 16)

Excellent Work Done in the West

Business Development Program
Carried on by Western Under-
writers Association

RODGERS IS IN CHARGE

All States in the Central Part of the
Country Will Soon be
Organized

Manager Charles F. Thomas and Assistant Manager Wallace Rodgers, Western Underwriters Association, are in Des Moines this week meeting with the field men to assist them to put the Business Development program into effect and carry the work on successfully. There is also a movement to have an organization of field men in Iowa. Next week Mr. Rodgers will go to Oklahoma to organize the movement in that state and this about completes the setting up of the machinery in Western Underwriters Association territory, although in Tennessee and Wisconsin there will be some refinements made in view of the experience in other states. Mr. Rodgers has direct charge of this important activity. The Western Underwriters Association started a program of education for stock agents before the Business Development Office was established. When F. S. Dauwalter introduced his material it was found to fit in admirably with what the W. U. A. was doing.

Program Is Educational

The W. U. A. program, in addition to information regarding non-stock competition aims to be informative in giving agents points regarding operation of their own business. For instance, in the mail writing states practical suggestions are made by someone who is an expert. Mr. Rodgers has developed a program to follow in the meetings as a basis for the activities. He has constructed it according to the experience gained at a number of meetings. The regional meetings in a number of states have been highly successful where there is joint work done by the field men and local agents' state organizations. It is the plan of Mr. Rodgers not only to give thorough going information as to meeting non-stock competition but also to suggest plans for business building.

Last week Mr. Rodgers attended three regional meetings in North Dakota, Grand Forks, Devil's Lake and Minot.

The material gotten out by the Western Underwriters Association has met with enthusiastic favor. It is adapted to the needs of various states and agents declare that it is very effective.

Chairman Harding's Report

J. C. Harding of the Springfield, chairman public relations committee, at the annual meeting of the Western Underwriters Association spoke of the work being conducted by the W. U. A., stating that publication of the stock company agency bulletin has been continued but with necessarily less frequency. Specific assistance to agents, field men and members has been constantly provided. Field clubs have been organized for programs of business development and education. Talks to local groups of business men and trade associations have been made. Relations with university teachers of insurance have been established and improved.

Mr. Harding said the committee is now in possession of a wealth of material dealing with laws, regulations and court decisions of several states with particular reference to non-stock car-

President Dead



EDWARD MILLIGAN

The death of President Edward Milligan of the Phoenix of Hartford group removes from the scene one of the most brilliant and resourceful insurance men of the country. He would have been 75 years of age on his next birthday, June 1. He was a bachelor and is survived by two sisters. There was a memorial service in the Asylum Hill Congregational Church in Hartford on Wednesday. His two sisters reside at Cynwud near Philadelphia.

Funeral services, attended by members of the family and some close friends and associates, were held at the Church of St. Asaph, Bala., Pa., Tuesday afternoon.

New Adjusters' Organization Is Very Favorably Received

Secretary W. H. Moore of the National Association of Independent Insurance Adjusters with offices in the Wheeler-Kelly-Hagney building, Wichita, Kan., states that since the organization was established three weeks ago in Kansas City, the officers have been besieged with many inquiries from adjusters from all parts of the country. There are also a number of insurance companies that have made inquiry as to the character of the organization and its purpose. Secretary Moore is gratified at the enthusiastic reception that the association has received from the insurance fraternity.

"Mixer" for Fire Marshals

A mixer in the form of a buffet Dutch lunch has been arranged by Chairman S. V. Coultas of the Fire Marshals Section of the National Fire Protection Association to close the meetings of the section in Chicago, May 10. It will be given in the Colonial room of the Steuben building, Randolph and Wells streets, from 5:00 to 7:30 P. M. and will be complimentary to members and guests. Mr. Coultas is Illinois fire marshal.

This information will constitute the subject matter of subsequent stock company agency bulletins.

Mr. Harding said that the conviction of his committee is that no single approach will suffice in any large percentage of cases. Accordingly the committee has endeavored to provide representatives with discussions of all leading arguments in behalf of the stock system together with information as to the vulnerable points of competitors in the thought, that each representative will utilize that which in his judgment is the best approach in a specific case and under a given set of circumstances.

Characteristics Seen in Edward Milligan's Life

When Edward Milligan, president of the Phoenix of Hartford group, died Saturday morning in University Hospital in Philadelphia where he had gone a week before, one of the outstanding and foremost executives in fire insurance passed out of the picture. He was 74 years of age. Mr. Milligan built up the Phoenix organization according to well defined ideas and standards that he had nurtured. It had a definite personality that took on the Milligan characteristics very visibly.

He was a field man for the Phoenix in Pennsylvania when D. W. C. Skilton was president. His head office soon recognized Mr. Milligan as a man of penetrating observation, sound judgment, resourceful and painstaking. He had submitted to the home office certain ideas that he had about underwriting. President Skilton had him taken to the home office in September, 1896, as secretary and at once he became the chief lieutenant of the president.

Went Upward Rapidly

Mr. Milligan rapidly went forward from that time because he had a forceful personality and he built up his conclusions on very carefully and scientifically laid data. He interested himself both in the underwriting and production ends of the business. He became convinced that the company should know the cost of doing business just as a storekeeper should know what the expense of his sales is. He inaugurated a new classification system with selection as the foundation. He built up an entirely new classification method that was flexible and would enable the company to use it as a guide in selecting business. He demanded close adherence to this.

His Hand on the Pulse

There was no doubt at all during Mr. Milligan's administration as to who was head of the company. He had very fixed ideas and plans. He knew what was going on in every department. He desired to be advised of what was proposed. He was a man of wide reading in business literature and when a field man from any state or a manager from a big city went to Hartford Mr. Milligan showed a knowledge of conditions in that particular area that seemed almost uncanny to his listener. He watched the underwriting carefully. He had every loss over \$250 passed over his desk. He selected out of these the ones that he felt were the result of disregard of underwriting principles. He did not hesitate to take this up with the official in whose department responsibility rested.

Did Not Rule by Fear

Unlike some presidents who dominate their companies, Mr. Milligan did not incite fear among his lieutenants. All had a wholesome respect and admiration for him. In many ways he was stern and almost forbidding on approach. He was tall, commanding and his very physical presence seemed to inspire awe. He did not have the warm, amiable, cordial demeanor. He was by nature rather reticent. A person not very well known to him, going into his office was placed on the defensive because Mr. Milligan was not given to conversation. He did, however, unbend at times when there was something of interest to him and then he showed an entirely different side of his nature.

He went on a carefully laid out schedule of time control for himself. He had a certain part of each working day set aside for different subjects or conferences that he desired. He worked along rather orderly lines.

Upon Mr. Milligan's accession to the presidency of the Phoenix in 1913, the company had \$5,377,818 assets, \$2,000,000 capital and \$720,836 surplus. On

Dec. 31, 1936, it had \$62,406,190 assets, \$6,000,000 capital and \$38,182,317 surplus. In addition, wholly owned companies had total assets of \$92,381,727 and surplus of \$57,718,232. Affiliated or controlled companies had additional assets of \$6,501,611 and surplus of \$3,538,344.

Dean of Hartford Presidents

Mr. Milligan was the dean of the Hartford insurance presidents, he taking his office a few months before R. M. Bissell became head of the Hartford Fire.

Mr. Milligan developed into a financier and the success of his companies along financial lines proved that he was sound and constructive in what he did. He was not a plunger. He did not play the market, he believed in substantial investments, well diversified and well balanced.

Mr. Milligan had been in bad health for a year. He was afflicted with a malignant malady that sapped his strength. He submitted to various observations and forms of treatment.

Mr. Milligan's Early Life

He was born in Haddonfield, N. J., near Philadelphia, June 1, 1862, and entered the insurance business in 1879 as a clerk in the agency of J. B. Kremer & Durban in Philadelphia. In 1884 he became a surveyor with the Philadelphia office of the Aetna Fire. It was four years later that he became special agent of the Phoenix in Pennsylvania. He became vice-president in 1907 and six years later was chosen president.

The Phoenix in 1911 took over the Equitable Fire & Marine and made it part of the fleet. Following the death of President J. D. Browne of the Connecticut Fire the directors desired to have some kind of a hookup with Mr. Milligan and the result was that that company became a member of the Phoenix flotilla. In 1920 Phoenix interests organized the Reliance of Canada. In 1921 the Phoenix took over the Central States Fire of Wichita and in 1926 the Minneapolis Fire & Marine. In 1928 it purchased control of the Atlantic Fire. Its latest acquisition was the Great Eastern Fire of White Plains, N. Y.

While Mr. Milligan may not have been an organization man in its general

(CONTINUED ON PAGE 17)

Honor George W. Blossom on His 50th Anniversary

George W. Blossom will be honored by his partners at a dinner at the Chicago Club in Chicago May 21 in observance of his 50th anniversary with Fred S. James & Co. Prominent company executives will join in paying tribute to Mr. Blossom for his outstanding work as an agency builder and company manager. When Mr. Blossom joined Mr. James in 1887 he already had a reputation as a keen minded hard worker, having served successfully for 11 years in the western department of the old German-American and three years in the Connecticut Fire's western department.

In addition to his local agency work with Fred S. James & Co., Mr. Blossom was active in the management of the old Washington Fire & Marine Company, the western department of the National of Hartford and in the United States management of the Urbaine Fire, General Fire of Paris and the Eagle, Star & British Dominions, now Eagle Star. While Mr. James was president of Fred S. James & Co., Mr. Blossom was vice-president and treasurer. In 1927 after Mr. James' death Mr. Blossom became president, and in 1929 chairman of the board.

EXPERIENCE

The Home Insurance Company through its eighty-four years of underwriting experience is in a position to offer the policyholder and producer an insurance service of unquestioned reliability.

THE HOME INSURANCE COMPANY NEW YORK

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Young Son of Hanover's Manager Achieves Fame

Insurance men will be interested in the selection of the "Book of the Month Club" for May in that it goes to a new novel, "They Came Like Swallows." The author is William K. Maxwell, Jr. Maxwell is William K. Maxwell, Jr., son of the vice-president and western manager of the Hanover Fire. He is a young man, 28 years of age. He graduated from the University of Illinois and then went to Harvard to do post graduate work, working toward a Ph.D. degree. However, he stopped after one year in order that he could take up writing as a profession. He has had one other book published, "Bright Center of Heaven."

On the "New Yorker" Staff

Last October he went to New York and was successful in becoming a member of the staff of the "New Yorker." He writes feature stories for that publication and is also editing advertising copy. His new book has met with instant success. He gives promise of being one of the most widely read of the young writers. The story is based on the Maxwell family experiences at Lin-

coln, Ill., when his father resided there as special agent and later state agent of the Hanover. The entire tale is based on facts. The author evinces a real finish in his English and a masterful way of expressing himself. There is a feeling of personality clear through the book. It is a pathetic story and yet the reader gains the impression that in the ultimate the years will bring comfort and satisfaction.

Started as an Artist

Young Maxwell's mother died in a hospital at Bloomington, Ill. She was of an artistic type of mind and did considerable drawing and painting. He, therefore, early in life followed in her footsteps. However, while he was at Illinois one of the professors became impressed with his ability as a writer and urged him to take up writing rather than painting and drawing. It is said that probably Zona Gale, the novelist who lives at Portage, Wis., has had as much influence in guiding the young writer as anyone else. He spent some summers at Portage working on an estate there and came in contact with Zona Gale, who took a great interest in him.

On Monday evening a dramatization of "They Came Like Swallows" was broadcast from Station WJZ of New York.

National Fire Protection Body Publishes Reports

TECHNICAL TOPICS REVIEWED

Papers Will Be Discussed Further at
the Annual Meeting May 10-14
in Chicago

The National Fire Protection Association has published several reports on fire hazards and fire fighting devices which will be discussed at the annual meeting in Chicago, May 10-14, at the Congress Hotel. The papers may be revised after the discussion.

The law and ordinance committee, headed by F. H. Wentworth, has prepared an automatic sprinkler ordinance which it is hoped will serve as a model for municipalities taking up such matters. It gives a list of buildings where automatic sprinklers should be installed, as well as a list of publications by the National Board and other organizations for reference.

The building construction committee, R. C. Loughhead, chairman, has submitted a report on suggested good practice for waterproofing of floors and proper insulation of drainage devices. Another report which will draw interest is that on the blower and air conditioning systems, C. W. Wheelock, committee chairman. It goes into considerable detail on proper air conditioning system installation, as well as a general review of the subject of ducts for warm or cold air conveyance. Suggestions for control of hazards in manufacture of lacquers and in operation of paint spraying booths are embodied in a report by that committee, Benjamin Richards, chairman.

Review Static Electricity

Static electricity, its hazards and control, are reviewed by the committee headed by P. V. Tildon, chairman. The subjection of gases is exhaustively discussed in the report of that committee, H. E. Newell, chairman. Liquefied petroleum gas systems, compressed gas systems, motor fuels, odorization as the means of detection of escape of gas and suggested liquefied petroleum gas regulations are included in the report. Flammable liquids are also discussed. This report reviews their use in small heating and cooking appliances as well as discussing petroleum wharves. H. L. Miner is chairman.

Salvaging operations and methods are reviewed by the committee headed by W. G. Ball. The effect of smoke and fire on various articles of merchandise and raw materials are discussed.

The electrical committee functions also as a sectional committee of the American Standards Association. It reviewed work done on the 1937 edition of the national electrical code. A. R. Small is committee chairman.

Joins Broderick Office

F. T. Leach has joined the staff of D. F. Broderick, Detroit general agency. He will specialize in fire insurance and engineering work in which he was employed for 13 years with Johnson & Higgins prior to becoming associated with Blumberg Brothers several months ago.

The appointment is part of an expansion program, which includes additions already made to executive staff and personnel, taking additional floor space in the United Artists building and establishment of offices in principal cities of the country, including New York, Chicago, Washington and San Francisco.

Mutual Agents' Meeting Set

The National Association of Mutual Insurance Agents has selected Sept. 14-16 as the dates for its annual convention, which will be held in Richmond, Va.

Well-Known Cedar Rapids, Ia., Agent Dies in Manila



LURTON H. STUBBS

L. H. Stubbs of Cedar Rapids, Ia., head of the Stubbs Insurance Agency there, one of the cleverest after dinner speakers and entertainers in the business, died of heart attack at Manila, P. I., Thursday of last week. He and Mrs. Stubbs had gone there to visit their daughter, Mrs. F. N. Lutz. He suffered a heart attack early Thursday morning and died three hours later. The body was cremated at Manila. Mrs. Lutz will accompany her mother on the return trip.

Although Mr. Stubbs had been in poor health for the last four or five years he remained active although considerable of his time was spent in California.

Was Active in Civic Affairs

Mr. Stubbs was a great civic worker. In fact he put community welfare on a par with his own business. Good roads were a hobby with him. He was a leader in the chamber of commerce in this respect. In fact he was chairman of its highway committee. During the world war he was exceedingly active in all sorts of public work. Mr. Stubbs had an engaging personality and in his talks he was a gifted impersonator and had his audience with him at all times.

He was born March 21, 1871, at Elkton, O. He attended Sterling College at Sterling, Ark. He started his business career as a traveling salesman. In 1901 he went into the local insurance business in St. Joseph, Mo., remaining there until 1915. Lew W. Anderson conducted an agency at Cedar Rapids and died in 1915, when Mr. Stubbs became connected with that agency and two years later purchased it.

Interest in Fire Prevention

Another subject close to the heart of Mr. Stubbs was fire prevention. He gave many talks on the subject. He was a former president of the Iowa Association of Insurance Agents and while he was at St. Joseph was an official of the Missouri association.

Mr. Stubbs' two master pieces in his entertainment repertoire were the "Baron's Last Dream" and "Lurtie" Stubbs as a small boy "speaking a piece" at school.

Mr. Stubbs had an artistic taste. He drew and painted miniatures of various subjects. Some of his work displayed genuine ability.

California Earthquake Premiums

The earthquake premiums paid in California last year were \$854,764 and the losses \$37,075. The leaders in premiums are the Continental, \$25,890; Fire Association, \$21,996; Fireman's Fund, \$28,920; Firemen's, \$23,477; Hartford Fire, \$23,426; Home of New York, \$34,563; North River, \$27,952; Pearl, \$18,916; Rossia, \$23,153; Travelers Fire, \$32,764; United States Fire, \$32,635.



AND neither are we. For it's much too far away to be easily accessible.

Easy accessibility — particularly between a company and its agents—is always a very great advantage. It permits frequent helpful visits between company officials and the men on the firing line. It makes possible immediate face-to-face discussions and quicker action. It promotes greater mutual understanding and more profitable relationships. KANSAS CITY FIRE & MARINE is close to its agents—close both geographically and personally . . . By the way, are YOU one of our agents?

Managed by
R. B. JONES
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Inc.

KANSAS CITY Fire and Marine

INSURANCE COMPANY

CHICAGO OFFICE
INSURANCE EXCH

KANSAS CITY
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At that agonizing moment when his ball seems sure to hit somone -- any golfer would give much for insurance!

Why not anticipate that moment by selling your golfing clients the America Fore golfers policy, which includes loss of equipment and property damage as well as liability insurance for the small sum of \$ 8.00 per year.

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BERNARD M. CULVER, President
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DALLAS

MONTREAL

Westchester Fire's Centennial

The Westchester Fire is celebrating its 100th anniversary this year. It started as the Westchester County Mutual, March 14, 1837, at New Rochelle, N. Y., to accept fire risks in that county only. The first agents were R. R. Voris, Samuel Trowbridge and Caleb Roscoe at Sing Sing, N. Y. The next were H. B. Smith and John Theall of Port Chester, N. Y. At a meeting May 8, 1839, the president was voted a salary of \$100 a year and the secretary \$250. The policy term was extended to three years. Agents were allowed \$1 for every policy they wrote. In April a branch office was opened in New York City at 134 Nassau street.

Went on a Stock Basis

On Aug. 11, 1869, it was voted to change the organization from a mutual to a stock company. On Jan. 10, 1870, a charter was granted to the Westchester Fire with capital of \$200,000 and assets \$479,426. The first dividend declared was in January 1871, for 7 percent. The company has paid dividends every year since. At the end of Dec. 31, 1871, its income was \$347,434, assets \$527,013, net surplus \$134,882. Twenty

years later the income was \$1,112,489, assets \$1,687,591, net surplus \$421,802. On Dec. 31 last, the income was \$6,777,951, assets \$20,027,790 and net surplus \$11,613,091.

The Westchester paid \$1,000,000 at the time of the San Francisco disaster. The head office was moved to New York City in 1883, locating at 141 Broadway.

Geo. R. Crawford a Big Factor

The individual who stands out most prominently in the earlier years of the company was George R. Crawford. He became associated with it as a young man and was made secretary in 1864, holding that position until it was changed to a stock company in 1870. He was elected president in 1879 and served in that capacity for 40 years. In 1919 he was made chairman of the board.

Another prominent Westchester Fire man in days gone by was M. O. Brown, who for many years was western manager at Chicago. He was taken to New York in 1898 and was made secretary at the head office. Later he was elected vice-president holding that position until he died in 1913. He was one of the main organizers of the National Board.

O. E. Schaefer, the present president, went with the company as an office boy in 1889. He was made chief clerk in 1895, assistant secretary in 1907, secretary in 1913. He was made vice-president in 1916 and president in 1919.

The Westchester is now one of the Crum & Forster fleet, is highly esteemed in every particular and has had a long record of success and usefulness.

Entertainment for Commissioners

The entertainment program planned for commissioners, insurance executives and their friends at the annual convention of National Association of Insurance Commissioners in Philadelphia, June 21-23, will include a one-day trip to Atlantic City, probably June 24, the day after adjournment of the business sessions.

Leading golf links in Philadelphia will be reserved for delegates. The annual banquet is tentatively arranged for June 22.

Attendance of between 350 and 450 is expected, Secretary Jess G. Read announces.

E. V. Neuberger, most loyal gander of the Nebraska Blue Goose and special agent of the Hartford Fire, is recovering in an Omaha hospital following a major operation.

Muckley Gives Impressions of Turbulent Meet

R. L. Muckley, Chicago broker and insurance adviser to National Association of Retail Clothing Merchants, has written to THE NATIONAL UNDERWRITER regarding its report last week of the meeting in Chicago under the auspices of the Agricultural Club to consider the London Lloyds situation. Mr. Muckley was one of the speakers. The meeting was arranged to aid the cause of a modification of the Lloyds requirements in the Illinois insurance code bill, but it turned into a controversial session when half a dozen advocates of the code in its present form appeared and entered the discussion. Mr. Muckley's letter:

"I think you reported rather unfairly the meeting at the Agricultural Club wherein the question of the maintenance of Lloyds of London as a market in this state was discussed.

"It was obvious that Allan I. Wolff and the agents who attended did so for the purpose of introducing, as you say, 'sour notes'.

Partisan Attitude

"It seems to me—viewing the insurance business in the light of a profession—these agents should have asked themselves the question: 'Is Lloyds of London a valuable market which, from time to time, our clients need?' Answering that question in the affirmative—since they have all placed business with Lloyds—the next question should have been: 'What can we do to preserve that market?' Instead of adopting this attitude, they were obviously partisan.

"I remember some years ago your magazine quoted Allan I. Wolff as condemning me before the National Association of Insurance Agents for writing open stock insurance for a group of men's wear stores in various parts of the country through our office here, thus—as he stated—depriving the local agent of the commission.

Countersignature Fees

"At the same time Mr. Wolff should have stated, if he wanted to be fair or even honest, that his own office, Klee, Rogers, Loeb & Wolff were writing exactly the same policy for a large group of men's wear stores serviced by Hart Schaffner & Marx upon precisely the same conditions and not going out of their way—so far as I know—to offer any commission to a local agent. Whenever a merchant has expressed the desire that his local agent be given a commission, we have always complied with the request. Klee, Rogers, Loeb & Wolff are still writing that policy and, furthermore, in a non-conference company, the United States Guarantee Company.

"If you want to be fair in your magazine, why don't you publish the facts? What would you think of a medical journal that refused to publish the facts about a new medical treatment because it seemed to conflict with certain interests of a clique of doctors?

"I don't expect you to take up the cause of Lloyds of London at the expense of American insurance companies—and I myself am not doing that because at least 80 percent of my business is placed in American companies—but if the insurance business is to meet the needs of business and industry, it must be willing to adopt the same progressive attitude with respect to the contracts it offers that business and industry adopt with respect to products they offer.

"Considerable stress was laid by the opposition upon preserving the home market. Lloyds' premium volume on all lines in Illinois last year equalled less than 3 percent of the Illinois fire and casualty premiums alone and most of that on business that other companies did not care to consider.

"The federal government and financial writers have emphasized the necessity

Here Comes the Bride!

In May? Yes, in May—for the alert Insurance salesman!
Next month, all of the other Agents will be camping on the doorstep—awaiting the return from the honeymoon.

Our Bride-Elect Sales Plan sells the new households *before* the big event—with an approach that appeals. Ask for Tested Selling Plan No. 172.

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Fire Companies

THE AMERICAN

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A Loss is a Loss, no matter what the cause...

is the theme of North America's new advertising campaign now appearing in the national magazines, emphasizing for both homeowner and business man the need of complete protection against every hazard that threatens. This month's advertisement makes a direct appeal to storekeepers, and briefly explains Leasehold, Sprinkler Leakage, Use and Occupancy and other forms available to business people.

Readers are directed to consult with NORTH AMERICA AGENTS for authoritative analysis of their individual needs.

See our advertisement in the May 17th issue of LIFE, the May 17th issue of TIME and the May 15th issue of BUSINESS WEEK.

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INDEMNITY INSURANCE CO. of NORTH AMERICA
write practically every form of insurance, except life.

Founded 1792

Capital \$12,000,000

Surplus to Policy Holders, over \$77,000,000

Brotherly Love City Is Seat of Insurance Union

PHILADELPHIA, May 5.—The Committee for Industrial Organization, through its Insurance Guild of America, now is embarked upon a drive to organize "all workers in the insurance field—ordinary and industrial life men, fire and casualty—inside and out and from top to bottom."

At the first "open" meeting of the union here Sunday night the CIO stated if any insurer fires any union man because of discrimination, "it will be fought by every union man. We will even go to the Supreme Court if we have to."

After the meeting, temporary heads of the union said the CIO had started its "invasion" of the insurance business the first of the year. Its aim is to bring into the guild employes, clerical and field forces, of every type of insurer. Later it intends to form subdivisions.

Clerks and Stenographers

Clerks and stenographers now are said to be members of the Stenographers' Union of the American Federation of Labor but the guild leaders said they would leave the A. F. of L. and join the guild later.

The guild was organized in Philadelphia by four agents, an attorney and a CIO organizer. They are: Meyer Lieberman, Bankers National Life, temporary chairman of the meetings; Joseph Hoffman, Bankers National Life, temporary secretary; E. C. Schmid, one-time Metropolitan Life agent but now a broker; George Goldberg, broker; Samuel Packman, attorney for the union, and Joseph Kres, CIO organizer and editor of the "People's Press." Kres formerly was an assistant manager of the Sun Life of Baltimore at Washington.

The organizers said the guild had several hundred members but the turnout numbered about 90 Sunday night and only a few appeared to be members. Almost all in attendance were industrial life agents.

Objectives Are Listed

In the application blank, the guild lists these objectives: lapse charge relief; fair collection salary; more leisure time; security in your job; seniority rights; participation in drafting your new contracts, and not mere passive acquiescence to them; increase in commissions; elimination of cut-throat and humiliating competition; proper security for old age; a better understanding and enlightened relations with the public at large; minimum salary or wage, so as to maintain a proper standard of living; elimination of discriminatory tactics by the officials.

Dr. Jesse H. Holmes of Swarthmore College and several officers of the Newspapermen's Guild had been advertised to speak but they all failed to put in an appearance. Those who did speak seemed unfamiliar with insurance except for a few phases of industrial insurance.

Speaker Is Confused

When a member of the audience asked Kres whether "membership in the underwriters' association" barred one from joining the guild, Kres, although once in the life business, frankly admitted that he knew nothing of the association, despite the fact that it was obvious the questioner meant the life underwriters association. His closing remark to the question was: "Thanks for the tip, though, brother."

Guild organizers said that "Schuylkill county and other up-state counties are flooded with unions," organized under other channels and not affiliated with either the CIO or the AFL. But these unions, it turned out, are local agents' associations.

There are no initiation fees and the dues are \$1 a month. The remarks were keyed to industrial agents. The guild

meets each Monday night.

Packman, the final speaker, declared: "When the agents hear of two or three offices striking, you'll see them marching into the guild."

The life companies were attacked for violating every law on the statute books; for forcing industrial agents to pay excess, and for countenancing, if not forcing, rebating. There was much talk of spies and company officials being present and the statement was made that some managers and assistant managers were outside taking down the names of all those attending. The speakers told the audience to stand up for their rights; that the Wagner act gave them the right to organize and if they were fired because of their union affiliations, it would be just "too bad" for the companies.

Packman compared the insurance agent, even though he wears a white collar, with the worker in an industrial plant. "They are just the same. Both get paid piece work." Assistant managers or managers, he said, can join the guild but cannot take any part in the activities "until they are demoted."

WISCONSIN UNIONISTS BUSY

MILWAUKEE, May 5.—Organization work by Office Workers' Federal Union Milwaukee local among employes of insurance companies, banks and other big establishments employing large number of stenographers, typists and bookkeepers, has been stimulated since the U. S. Supreme Court recently upheld the constitutionality of the Wagner labor act. The union has called several meetings of employes of the Old Line Life of Milwaukee and of the Northwestern Mutual Life, to organize these office workers and to seek recognition of the union as bargaining agency. In addition to the financial institutions, this effort is also being extended to office workers in breweries, dairies and other large commercial establishments.

To date no demands have been made upon the companies by any organizations of their workers. Neither company has had a company union, but since the outside union started organizing, employes of both companies have started independent unions.

Interest among insurance company workers in the outside union appears to be waning while the independent union movement seems to be gaining. The Independent Union of Northwestern Mutual Employees has filed incorporation papers with the Wisconsin secretary of state at Madison. The incorporators are William R. Schweitzer, Charles A. Sherman, Jr., and Gilbert C. Koehler.

CINCINNATI UNION CHARTERED

CINCINNATI, May 5.—Lester Marshall, president Industrial Insurance Agents Union, Cincinnati, announces that the organization has received from American Federation of Labor the first federal charter granted to any similar union in the United States. The union has heretofore been operating as an affiliate of the Retail Clerks International Protective Association. Granting of the charter followed two months of organization work and the union now has 200 Cincinnati members, Mr. Marshall said. The drive resulted in the union obtaining a majority membership in one major company. At present the union's charter does not permit it to organize other local groups.

W. H. Bennett Will Speak

W. H. Bennett, secretary National Association of Insurance Agents, will address the Springfield (Mass.) Board of Fire & Casualty Underwriters the evening of May 29 on "The Doctrine of Reciprocity."

A. H. Underwood to Retire

A. H. Underwood of Atlanta, who has been state agent in Georgia the past 17 years for the Saint Paul F. & M. group, will give up the life of a traveling man about July 1 and retire. His successor has not yet been decided.



CASUALTY FIDELITY SURETY

Unquestioned Financial Stability.
Unique, Convenient Policies.
Complete, Efficient Service.
All Modern Coverages.

CAPITAL \$1,000,000

Combination Automobile Policy, Combination
Residence Policy and Complete Golfer's Policy
issued jointly with allied fire companies.

INDEMNITY
INSURANCE CO. OF
NORTH AMERICA

PHILADELPHIA

President of National Adjusters' Association



L. A. GOULDMAN

L. A. Gouldman of Little Rock, who has been elected president of the new National Association of Independent Adjusters, is a native of London, Eng., and came to America 24 years ago. He attended schools in New York, and has degrees from both Vanderbilt and New York University. He also attended Columbia University. Mr. Gouldman has been living in Little Rock for nine years, where he has engaged in the adjusting business, with offices in the Wallace building. He lived for a short while in Louisiana before going to Arkansas.

LEGISLATIVE • DIGEST •

Nebraska—The bill of Senator Thomas, president of the World of Omaha, enlarging the field of investments for domestic insurance companies, was advanced to third reading without opposition. Mr. Thomas said that under present investment law conditions domestic companies were finding it difficult to secure investments with a return equal to their reserve obligations of 3 and 3.5 percent, and that this bill would put them on an equality with foreign competitors in the field.

Oklahoma—A revised retaliatory law has been signed by the governor.

Ohio—The legislature has voted down a bill to increase the salary of the superintendent of insurance from \$5,000 to \$6,500 a year.

Iowa—Bills passed requiring mutuals to have \$5,000 surplus except where the commissioner may require a larger amount, not to exceed \$25,000. Another new law requires mutual fire, tornado and other assessment companies, except county mutuals, to hold a 40 percent reserve for unearned premiums by Dec. 31, 1940. They must have one-fourth of the reserve up by Dec. 31.

Colorado—It is practically certain that no agency qualification or limitation legislation will be enacted at the present session. Due to an amendment bringing life and casualty as well as fire agents under its provisions, the bill was killed.

Minnesota—A special tax session has been set for May 24. Clyde B. Helm, secretary of the Insurance Federation of Minnesota, has sent a bulletin to members stressing the importance of this session to the insurance business.

A. G. Edwards and Thomas Graham of Del Rio, Tex., have merged their agencies as the **Edwards-Graham Insurance Agency**.

U. S. Chamber Election Puts J. C. Harding on Directorate

John C. Harding of Chicago, executive vice-president in charge of the western department of the Springfield Fire & Marine group, was reelected an insurance director of the United States Chamber of Commerce at the annual meeting. He presided over the gathering of the insurance division.

James S. Kemper of Chicago, president of the Lumbermen's Mutual Casualty and head of the well known Kemper insurance group, was elected a vice-president. He was formerly an insurance director.

O. J. Arnold of Minneapolis, president Northwestern National Life, was elected a director from his region which is composed of Minnesota, the Dakotas, Nebraska and Montana.

Lee J. Dougherty, president of the Guaranty Life of Davenport, who had been a director for two terms, was not elected to serve a third term. He had met with signal success. It was found that a Wisconsin manufacturer was making a spirited canvass for the position and Mr. Dougherty therefore refused to be drawn in the contest. He was asked to become a vice-president of the U. S. Chamber but refused on the ground that his company demanded his attention and he would be unable to give the position sufficient time.

S. F. Clabaugh, president, Protective Life of Birmingham, Ala., was reelected a director to represent the fourth geographical district. Philip J. Fay of Nichols & Fay, insurance brokers of San Francisco, was reelected as a vice-president of the chamber.

Two resolutions of specific interest to insurance were adopted at the recent annual meeting of the Chamber of Commerce of the United States in Washington. One denounces so-called valued policy laws as unnecessary and of no benefit to claimants. "They contravene the basic theory that the fire insurance contract is one of indemnity only," the resolution states. "They furnish temptation to arson for profit, and aggravate the already excessive fire waste, with consequent endangering of human life."

Another memorial summons business men to oppose amendments to workmen's compensation laws that would cause such laws "to be utilized for purposes other than those important purposes for which this type of legislation has been enacted."

In recent years, the resolution observes, workmen's compensation has been extended to private benefits that belong in the field of health, accident, old age and even unemployment insurance. Amendments and administrative rulings have gradually in many states made benefits unduly high in relation to wages. The inclusion of occupational diseases has likewise increased the cost.

Mortgagee Clause Is Upheld in Failure to Pay Premium

Upholding the standard mortgagee clause regarding failure of the mortgagee to pay premium on demand, the United States circuit court of appeals at Kansas City has upheld the Springfield Fire & Marine in refusing to pay a loss to the mortgagee under a policy with two installments on the premium note overdue and unpaid. The mortgagee happened to be the Travelers Insurance Company. Demand was made on the Travelers for payment as mortgagee, with notice that the insurance would be suspended, but the Travelers failed to pay the installments when due. Demand was made on each installment.

The mortgage clause provided that the

insurance "as to the interest of the mortgagee . . . only therein shall not be invalidated by any act or neglect of the mortgagee . . . ; provided that in case the mortgagor . . . shall neglect to pay any premium due under this policy, the mortgagee . . . shall, on demand, pay the same." The policy itself provided that the insurance should be suspended on failure to pay the installments.

The question involved in this case is different from that in the Metropolitan Life case in Ohio, where it was held that a mortgagee, after the expiration of the policy, was not liable for the premium. In the Metropolitan Life case, 161 N. E. 276, it was ruled that the mortgagee can

decide for himself whether to pay the premium or not. The present case holds that if he does not pay he does not get the benefit of the insurance.

William S. Hogsett of Kansas City was attorney for the Springfield.

Action on O'Malley Delayed

JEFFERSON CITY, MO., May 5.—It is believed that Governor Stark will not decide finally on any of his major appointments, including the question of reappointing Superintendent O'Malley, until after the legislature adjourns. Mr. O'Malley's term does not expire until June 30.

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PRACTICAL PROSPECTING explains how to make a complete analysis of your market; how to organize your daily calls; how to arrange campaigns so you can get a good diversification of business on your books; how to increase the productive-ness of your sales work through advertising; and how you can be your own sales manager.



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"WE have adopted PRACTICAL PROSPECTING in the Lawton-Byrne-Bruner Insurance Agency because it fits the individual needs of the producers in our organization better than any sales plan that has ever before been presented to this agency." CARL S. LAWTON, vice president and general manager of the Lawton-Byrne-Bruner Insurance Agency Company, St. Louis, Mo., chairman Executive Committee Missouri Insurance Council, and past president of the St. Louis Fire Underwriters Association.

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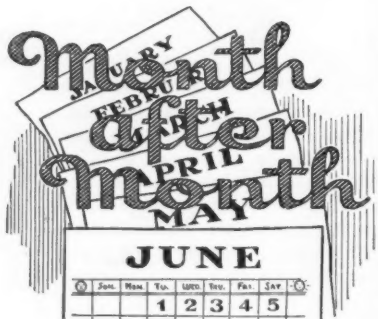
POSITION WANTED

Young man, 32 years of age, having eleven years experience in almost every phase of automobile insurance desires position of supervisory nature. Experience includes clerical and statistical work, underwriting of both casualty and property coverages, supervision of automobile department, and managerial duties. Finest references. ADDRESS F-72, NATIONAL UNDERWRITER



NATIONAL UNION FIRE INSURANCE COMPANY

Pittsburgh, Pa.



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North Carolina Will Have Many Distinguished Speakers

AGENTS MEET AT PINEHURST

Program Announced for Annual Convention to be Presided Over by
President L. E. Dimmette

The program is announced for the annual meeting of the North Carolina Association of Insurance Agents at the Carolina hotel, Pinehurst, May 16-18. L. E. Dimmette of Lenoir is president. There will be a past presidents' dinner the evening of the 16th with W. de R. Scott of Graham presiding. On May 17 there will be a directors breakfast meeting. The address of welcome will be given by Richard Tufts, president Pinehurst, Inc. McAlister Carson, Charlotte, will respond. President Dimmette will present his report while the administration report will be given by Vice-president T. G. Redden of Greensboro. Manager S. G. Otsot will give a reports of his activities. K. H. Blair, Greensburg, Pa., former National president, will talk on "Cooperation—Its Success or Failure."

Many Will Extend Greetings

Greetings will be received from Commissioner Boney of North Carolina; L. E. English of Richmond, Va., chairman executive committee American Association of Insurance General Agents; C. A. Bickerstaff, Atlanta, Ga., president S. E. U. A.; Landon Hill, manager North Carolina Inspection & Rating Bureau; Godfrey Cheshire, Fidelity & Guaranty Fire, North Carolina Field Men's Conference; William Goldsmith, Greenville, S. C., South Carolina Association of Insurance Agents and Stewart Ragland, Richmond, Va., Virginia Association of Insurance Agents. H. C. Conick, assistant United States manager Royal-L&L&G, will give a talk on "The Successful Agent."

Prominent Men to Speak

In the afternoon of May 17, J. W. Randall, vice-president Travelers, will speak on "Occupational Disease Insurance." L. T. Wheeler of Atlanta, manager Southeastern Underwriters Association, will also give a talk.

On May 18, there will be a local board officers breakfast with Earl Johnson, secretary Raleigh Insurance Exchange, presiding. At the convention meeting R. L. Price, Charlotte, will give a report on the mid-year National meeting. Ben S. McKeel, Raleigh, chairman committee on rates, rules and forms will report. There will be two addresses by company officials. A. R. Phillips, vice-president Great American, and Benjamin Rush, Jr., vice-president Indemnity of North America.

W. H. Peck With Floyd West

W. H. Peck, formerly assistant field supervisor Volunteer State Life, has joined Floyd West & Co., Dallas, as manager of the life department. He has been in the life insurance business since 1931.

M. L. U. Hearing Again Postponed

KANSAS CITY, May 5.—The hearing by Federal Judge Reeves on the Manufacturing Lumbermen's Underwriters bankruptcy matter, scheduled for April 30, has been postponed, and probably will be heard May 7.

Kenton County, Ky., Gets a Cut

A 12 to 26 cent reduction per \$100 in fire rates has been promised Kenton county, Ky., by the Kentucky Actuarial Bureau if arrangements can be made for Covington, Ludlow, Fort Mitchell, Erlanger and other towns having fire apparatus to go to fires outside of their corporate limits. In a letter to the fiscal court, the following reductions were

mentioned: Brick, approved roof, 60 to 48 cents; brick, unapproved roof, 80 to 64 cents; frame, approved roof, 90 to 66 cents; frame, unapproved roof, \$1.16 to 90 cents.

The fiscal court discussed the possibility of a \$50 guarantee to fire departments leaving their stations to go outside of corporate limits to fight a fire. No definite action will be taken until the exact area is determined to which reduced rates would apply if fire protection is secured. Fire and tornado insurance totaling \$300,000 on the two new Kenton county high schools has been divided among Covington and county agents.

California Warning Issued on Auto Finance Business

SAN FRANCISCO, May 5.—Companies writing automobile business in California have been warned by insurance department against incorrect practices in writing finance automobile business where there is a master policy. According to the warning issued by Mrs. Mae Barr Long, deputy commissioner, it is a common practice for the agent to issue "certificates" under master policies, indicating thereon the various risks covered. On the original of such certificate, the total premium is shown to be "as per master policy." On the duplicate of the "certificate" the total net premium is shown but no premium for the various items covered. The warning points out that such practice is in direct violation of the law, as every policy and every certificate of insurance issued under a master policy must show the gross premium paid by the policyholder, or purchaser of the car.

Such practice is in further violation of the law in that companies are reporting to the department only the net premium on such business for taxation purposes, while the law provides for a tax on gross premiums. It is estimated that in many instances the premium reported to the companies is less than 50 percent of the premium actually collected from the purchaser of the car.

Companies have been warned that further violation of the law will result in prosecution of companies as well as the agents writing the policies or certificates.

Will Go to the Coronation

ST. PAUL, MINN., May 5.—William Travis, veteran employee of the loss department of the St. Paul Fire & Marine has taken a month off to witness the coronation of George VI. This will be the second coronation in England that Mr. Travis has witnessed, the other being that of George V.

St. Paul Women's Meeting

ST. PAUL, May 5.—The St. Paul Association of Insurance Women will hold its final business meeting of the season May 11. There will be a general discussion. In June a social meeting will be held.

Death of Mrs. L. E. Brown

ALBERT LEA, MINN., May 5.—Mrs. L. E. Brown, widely known insurance woman, died here. For many years she was associated with the Albert Lea Insurance Agency of which her husband is president.

Adjusting Office at Waterloo

The Underwriters Adjusting Co. announces the opening of a branch office at Waterloo, Iowa. Joseph Rymal will be in charge in Marsh Place building. This office will handle the counties of Fayette, Buchanan, Linn, Benton, Blackhawk, Bremer, Butler, Grundy and the north half of Tama. Mr. Rymal is an adjuster of many years experience and was formerly connected with the head office at Chicago.

Additional fire insurance news starting on Page 35.

Reciprocal Pact for Iowa-Illinois Agents Licenses

DES MOINES, May 5.—Illinois and Iowa have entered into reciprocal agreement affecting agents' licenses for the conduct of insurance.

1. The Illinois department agrees to issue non-resident brokers' licenses to Iowa agents for all lines of insurance provided that any policy covering property or risks in Illinois must be countersigned by a licensed resident agent of that state. The fee charged is \$10.

2. The Iowa department agrees to issue agents' licenses to Illinois residents who are duly licensed in that state by the Illinois department, provided, however, all policies, other than life, must be countersigned by a resident agent of Iowa, and provided, further that the Iowa department will issue not more than five licenses to any such agent for a fee of \$10. Such non-resident agent must hold a license for each company for which he solicits and places business. Further licenses above five will be issued on additional payment of a fee of \$2 for each foreign company and 50 cents for each domestic company.

Ruling May Be Relaxed

The provisions of ruling two, above, may be relaxed in Iowa when it appears to the commissioner that a reciprocal agreement with adjoining states may be made to the advantage of citizens of Iowa.

When such reciprocal agreements are made, the Iowa department will grant requisitions for and issue licenses to non-resident agents for the sale of life, fire, casualty and marine insurance in all of the branches specified in Section 8940 of the Iowa insurance code. These licenses will cover all companies, associations and reciprocal exchanges but will only be granted to agents who are licensed by the departments of their own states.

All policies sold and delivered to residents of Iowa must be countersigned by and placed through a resident agent of Iowa who will be held responsible for the valid execution of the policies so placed and for the settlement of the premiums involved with the insuring companies.

Appleton & Cox Make Move

NEW YORK, May 5.—Appleton & Cox is moving to new quarters at 111 John street, having leased part of the grade floor; all of the third and a section of the fourth floors in this centrally located building. Representing 11 strong companies for ocean and inland marine and the Century of Scotland for inland marine only, the firm is one of the leaders in its line, and operates country-wide with branches in Atlanta, Boston, Chicago, Columbia, Detroit and Kansas City.

Vaughan Heads Suburban Club

The Suburban New York Field Club has elected F. E. Vaughan, Glens Falls, president; S. H. Richardson of the F. S. Richardson office, vice-president; J. S. Durkee, New York Underwriters, treasurer; J. B. McMillan, Providence-Washington, secretary. W. H. Geyer, manager suburban division of the New York Fire Insurance Rating Organization, gave a talk.

Miss Ida Montgomery, cashier of the North Carolina insurance department since it started in 1899, has resigned. She was presented with a gold watch by her associates. She will make her future home in Alabama.

Miscellaneous Notes

The Norfolk Mutual Insurance Agency of Norfolk Va., has been chartered with H. L. Lindsac as president.

51. The agency at that time was Corrigan, Madden & Murray. It became Corrigan, Madden & McGee. With the purchase of Ed Corrigan's interest in the business in 1916 by Joseph McGee, the agency, one of the largest in Missouri, assumed its present name.

Jess G. Read, Oklahoma commissioner, headed a group from Oklahoma which left May 5 for Louisville to attend the Kentucky Derby. Two special Pullmans were reserved for the Oklahoma group, which consisted largely of insurance men.

Guy Inman, Pacific Coast manager Fidelity & Guaranty Fire, has returned from Hawaii, where he spent three weeks on business. He reports business is good in the Islands, where the F. & G. is represented by the Bonding & Insurance Agency.

C. B. DeMille, vice-president of C. B. DeMille general agency, Seattle, will be married in July to Miss Elizabeth Conley of Seattle.

John S. Rankin of Atlanta, 84, who for 44 years represented the Hartford Fire and retired 12 years ago, died there.

R. E. Vernor, fire prevention department manager Western Actuarial Bureau, Chicago, will leave the latter part of this month for Nice, France, to attend the international conference of Rotary. Mrs. Vernor will accompany him. Mr. Vernor was recently elected governor of the 40th district and is immediate past president of the Chicago club.

Wallace Wilson, 42, well known local agent at Joplin, Mo., died in a Kansas City, Mo., hospital, from complication of diseases. He was one of the leading citizens of Joplin and his death evoked a very commendatory editorial in the Joplin "Globe," which called attention to his high character and many admirable qualities.

Mrs. L. Allen Beck, wife of the well-known Denver general agent, member of Reed Pennington, Inc., will leave the latter part of May for Geneva, Switzerland. She has been appointed a member of the staff of the American committee there. Mrs. Beck will engage in three-months study and research and also lecture work while in Geneva. She will return to this country Sept. 15. For the past five years Mrs. Beck has been secretary of the Rocky Mountain regional branch of the League of Nations Association. The three-months trip to Geneva is given annually to a number of Americans by the American committee for outstanding activity in international affairs.

E. A. Clark, secretary of the eastern department of the Northern Assurance, completed 25 years of service and to mark the occasion he was given a luncheon by his associates. He started with the Northern as special agent and entered into his present position in 1929.

Gale F. Johnston, southwestern division group manager of the Metropolitan Life, and **Briggs A. Hoffman**, vice-president of the Lawton-Byrne-Bruner Agency, both of St. Louis, were among those who escaped from the yacht "President," when it was destroyed by fire on the Mississippi river near Clarks-ville, Mo.

Harry T. Johnson, state agent for Globe & Rutgers Fire with headquarters in Chicago, has been on the sick list about two weeks, suffering a throat infection. He is reported to be making a good recovery.

A. W. Jenkisson, Chicago city manager of the Northern of London, went to Prescott, Ont., recently for the funeral of his mother, Mrs. Janet Jenkisson, who was nearly 97 years of age. She had been in good health and was

able to get about freely until shortly before death. Mr. Jenkisson was accompanied by his son, John, who is a broker connected with the Northern of London's Chicago office.

E. G. Whitaker, assistant to the manager of the Chicago Board, has gone to Hayward, Cal., to recover from an illness that had confined him to bed for about two months.

A. W. McKnight, assistant manager of the Pacific Coast department of the Home of New York, sailed from San Francisco Friday for a cruise to the Panama Canal. He will return to his office in about two weeks.

Fred L. Henkel, adjuster, and Mrs. Henkel left Denver, April 25 for an automobile trip through Mexico with San Francisco as their destination.

Although still on crutches, **A. M. Brown, Jr.**, of Edward Brown & Sons, general agency, director of the Golden Gate Bridge District and chairman of the Golden Gate Bridge Fiesta, took part in ceremonies in San Francisco, when the last rivet was driven into place. Mr. Brown spoke a few words over the radio explaining the ceremony and the significance of the new bridge. The final rivet was made of gold and donated by one of California's prominent gold mine operators.

A. A. Maloney, retired Pacific Coast official of the America Fore group, who maintains his winter home at Santa Monica, Cal., and his summer home at Pelham Manor, N. Y., will attend the graduation of his nephew, W. G. Maloney, from the University of Missouri in June. Mr. Maloney is planning an extended trip, visiting San Francisco, Seattle, his old home in Minnesota, Chicago and New York.

John A. Whitner, 79, senior member of the firm of John C. Whitner & Co., of Atlanta, Georgia general agents Commercial Union group, died there after having been in declining health for several years. John C. Whitner, his father, a major in the Confederate army in the Civil War, went to Atlanta in 1865, organizing the agency, which is known as the oldest in Atlanta and also now one of the largest there. John A., for many years was active in local agency, state and southern insurance matters. He was actively identified in organization and development of the Southeastern Tariff Association, which became the Southeastern Underwriters Association, and also was active in civic affairs. Two sons, Charles and Henry, are in the local insurance business, Joseph, another son, is engineer Southeastern Underwriters Association, and Caspar is assistant manager under Manager W. R. Prescott, southeastern department Hartford Fire.

Edmund Winchester of Boston, vice-president of the Boston and Old Colony, died last week at his home at Waban, Mass. He had been ill for a number of weeks. He was born in Boston 70 years ago and on leaving school in 1880, at the age of 15, he entered the agency of John C. Paige & Co. in that city, remaining there for 15 years. Mr. Paige, in addition to conducting his general agency, was resident manager of the City of London, which afterward reinsured. He was then appointed manager of the Imperial of London for the eastern department. Mr. Winchester was chief examiner for the general agency.

In 1896, the Boston, which had been a marine company, started its fire department and Mr. Winchester was taken as assistant manager of the new department. He succeeded to the management in 1902, remaining in charge later with the title of vice-president. He had been vice-president of the Old Colony in charge of its fire department since it started. Mr. Winchester was New England manager of the Camden Fire.



ONE MINUTE TALKS WITH AGENTS No. 11

There Are Tricks In All Trades

Often you hear a business man make that remark. The truth is there are no tricks really beneficial in closing a sale. Psychology is necessary, diplomacy also, but the only sound method of selling is to thoroughly know your subject and not try to deceive the buyer.

Have faith in the superiority of your article, know that what you are selling will be more beneficial to your prospect than any other he could buy. Freely admit any weaknesses . . . strongly play up the strength of your proposition and if the true facts properly presented will not get the business, then you had better not have it.

Lots of times we feel that we must not let so-and-so know this or that. Think it over. Usually that is just what you had better tell him. Frankness and candor are two qualities that a salesman can well afford to develop.

H. K. Dent H. K. Dent, President

GENERAL INSURANCE COMPANY of AMERICA SEATTLE

E. E. Cole, Jr., Manager,
Eastern U. S. Dept.,
116 John St., New York, N. Y.

C. W. Davis,
Supt. of Agents,
200 North Broadway, St. Louis, Mo.

First Bancredit Corporation

"Simplified Plan"

OF INSURANCE PREMIUM FINANCING

6% Simple Interest on Reducing Balances

A NATION-WIDE SERVICE

AGENTS AND BROKERS—CONSULT OUR
NEAREST OFFICE FOR PARTICULARS:

Offices

ATLANTA, GA.
Ten Pryor Street Building

BOSTON, MASS.
89 Broad Street

BUFFALO, N. Y.
Genesee Building

CHICAGO, ILL.
Insurance Exchange Building

CINCINNATI, OHIO
Chamber of Commerce Building

CLEVELAND, OHIO
National City Bank Building

DALLAS, TEXAS
Gulf States Building

DETROIT, MICH.
Penobscot Building

HOUSTON, TEXAS
Shell Building

INDIANAPOLIS, IND.
Electric Building

KANSAS CITY, MO.
Fidelity Bank Building

MILWAUKEE, WIS.
Century Building

NEW YORK CITY, N. Y.
100 William Street

NEWARK, N. J.
Essex Building

PHILADELPHIA, PA.
Drexel Building

PITTSBURGH, PA.
Commonwealth Building

ST. LOUIS, MO.
Missouri Pacific Annex

ST. PAUL, MINN.
First National Bank Building

SAN FRANCISCO, CALIF.
Insurance Exchange Building

TULSA, OKLA.
Public Service Building



ANOTHER ROAD TO

Sales

FOR ÆTNA AGENTS



WANDERLUST is a phase of "the vernal urge" that persists with most motorists from May to November. The family automobile then rises above the commonplace and becomes endowed with all the attributes of a "magic carpet." But where to go? — that is the question.

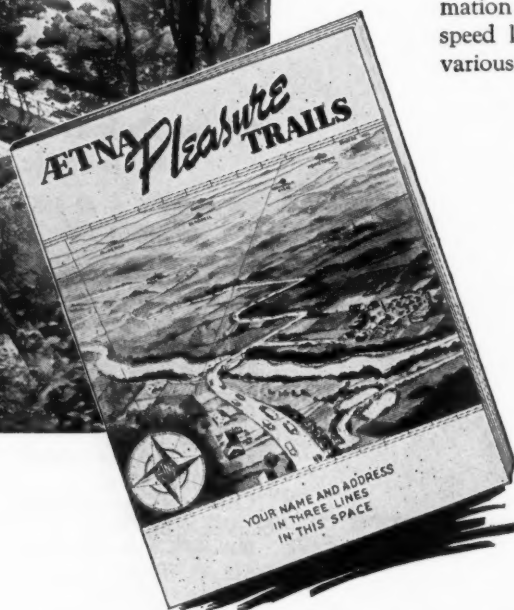
¶ Whether one is planning a long motor journey or just a week-end trip, the Ætna's new automobile tour book can aid materially both in arranging an itinerary and in charting one's course while en route.

¶ Outlined within the 52 pages of this book are more than twenty suggested motor tours covering the principal scenic, historic and recreation areas in the United States. Each such "loop" tour comprises a 1937 route map and detailed travel directions. More than sixty photographic illustrations add interest for the prospective "motourist" and there are also tables giving pertinent information concerning prevailing temperatures, precipitation, time zones, speed limits and financial responsibility law requirements in the various states.

¶ "Ætna Pleasure Trails" is the most recent addition to the Ætna's array of good-will-building material available to its local representatives for distribution to their clients and prospects. Because of its timely appeal and because of the direct relationship between automobile touring and adequate automobile insurance, this book is "a natural" for all Ætna producers.

It pays to be an Ætna-izer!

If you would like to represent the Ætna in your locality, communicate with our Home Office Agency Department.



The Ætna Casualty & Surety Company

THE ÆTNA LIFE INSURANCE COMPANY — THE STANDARD FIRE INSURANCE COMPANY
THE AUTOMOBILE INSURANCE COMPANY OF HARTFORD, CONNECTICUT



The NATIONAL UNDERWRITER

May 6, 1937

CASUALTY AND SURETY SECTION

Page Twenty-one

Pink Asks Three High-Low Changes

Dismisses Objections Cited by
Mutuals; Adopts Two Proposals of Brokers

IS NOT DISCRIMINATORY

N. Y. Official Wants Revision in Expense Loading Feature, Interstate Application, Loss Calculations

Modifications of the compensation retrospective rating plan which Superintendent Pink of New York insists must be made if the system is to be applied in New York include two that the brokers' organizations advocated. In addition, Mr. Pink stipulates that in determining the final retrospective premium of interstate risks only the experience in those states that have approved the retrospective or high-low plan be given weight.

If the companies agree to these modifications, Superintendent Pink gives his approval of the plan on a trial basis.

One change which Mr. Pink requires is that additional loadings for home office administration, payroll audit and inspection expenses be eliminated from the loss conversion factor. This will permit an increase in the allowable loss ratio to at least 60 percent for all risks paying standard rates under the plan. The brokers advocated this change on the theory that the basic premium contains a major element of such loading and that it would be unfair to ask the producer to forego commission on any premium developed in excess of the minimum without at the same time requiring the companies to make a corresponding reduction in their expense loading. Mr. Pink said he finds merit in that contention.

Must Use Averages

The other change is to provide for the use of average rather than specific death and permanent total disability costs in determining the final retrospective premium. It seems unfair, according to Mr. Pink, to penalize one risk for a death case involving a large number of dependents as against another risk having a similar fatal accident where the deceased leaves no dependents. One of the advantages claimed for retrospective rating is that an employer can effect some measure of control over his insurance costs through accident prevention efforts. This reasoning is not entirely applicable, he said, if the uncontrollable and variable status of dependents is to be a factor in the cost of insurance.

Mr. Pink stated he reserves the right to review the plan in practical operation with a view to withdrawing approval in the event discrimination or other abuses and inequities should develop.

Mr. Pink referred to the compensation insurance supplementary rating plan that

(CONTINUED ON PAGE 45)

Angsten Tells O. D. Results Since Passage of the Act

CLAIMS SO FAR VERY FEW

Illinois Industrial Commission Chairman Addresses Adjusters—100,000 Employers elect to Come Under Law

Unusual interest was taken in the address by P. J. Angsten, chairman Illinois Industrial Commission, before the meeting of the Casualty Adjusters Association of Chicago on the occupational disease situation in Illinois because of the many current problems in that line in Illinois.

Members of the association were surprised at the small number of O. D. claims that have been filed and acted upon since the law went into effect Oct. 1, 1936. Since that time and up to April 27, Mr. Angsten reported, 92 non-fatal claims and four fatal claims had been filed. Four were dismissed by the applicants. Ten were acted upon by arbitrators. Two were dismissed by the arbitrator for want of prosecution. Compensation was denied to five applicants. Compensation amounting to \$330.33 was awarded by the arbitrator to three applicants. There are four settlement contract and lump sum petitions in the amount of \$1,022. Two review petitions have been filed.

The industrial commission has about 100,000 written acceptances of the occupational diseases act. This is an elective law.

Retarded by Lack of Funds

The industrial commission, according to Mr. Angsten, has been retarded in starting the effective operation of the act because of the lack of funds. These have now been provided.

Employees who suffered in some degree from silicosis but were not disabled as of Oct. 1, 1936, had until Nov. 30 to sign a waiver agreement under which they would receive only 50 percent of the normal benefit when and if they should become disabled. The commission has only about 500 such applications filed by employees, he said. This is surprisingly few, he declared.

The attitude of the employers in accepting the provisions of the act and willingness to cooperate with their employees has not created the condition of ill feeling that the first impression had indicated. The problem of discharged employees is not acute today. The industrial commission has a record of not more than 150 employees who have been discharged because of the liability created.

Refers to Agreed Bill

The situation of employers who have not been able to get insurance has been a big problem. He referred to the fact that there is now before the Illinois legislature an agreed bill providing for the assignment of rejected O. D. risks. The liability is to be assumed by two pools, one stock and one mutual. Before this bill was introduced, uninterrupted conferences were held for six weeks with mutuals and stock companies in New York, Chicago and Florida, he said.

A monopolistic state fund bill was introduced. Mr. Angsten stated that he is opposed to such legislation and he

Announce Health & Accident Conference Meeting Program

SCHEDULE SPECIAL SESSIONS

Agency Management and Taxation Major Topics—To Be Held at White Sulphur Springs May 25-27

The completed program for the annual meeting of the Health & Accident Underwriters Conference, to be held at the Greenbrier Hotel, White Sulphur Springs, W. Va., May 25-27, was announced this week by Harold R. Gordon, executive secretary. General sessions will be held only in the mornings, with the agency management session the second day and the legal session the third day. The golf tournament will be held the first afternoon and the second afternoon will be given over entirely to an executive session, when all committee reports will be presented and there

(CONTINUED ON PAGE 45)

indicated that it will not be pressed in view of the fact that the agreed bill has been introduced.

Eventually, health and safety rules of the first order will be promulgated. This is required in the act.

Mr. Angsten urged all to attend the session of the Midwest Safety Conference in Chicago the afternoon of May 13, which will be devoted to dust disease matters. The presiding officer will be O. E. Mount, secretary American Steel Foundries and chairman compensation and health and safety committee of the Illinois Manufacturers Association.

Dan W. Elliott, Bankers Indemnity, head of the association, presided.

Made President



J. ARTHUR NELSON

President J. Arthur Nelson of the New Amsterdam Casualty was elected president of the Association of Casualty & Surety Executives at its annual meeting this week.

Casualty Bodies Hold N. Y. Parleys

J. A. Nelson Heads Executives Unit; Fairchild Reelected Acting Manager

PLANS MOVE DOWNTOWN

Report of William Leslie Features Meeting of National Bureau of Casualty & Surety Underwriters

NEW YORK, May 5.—The annual meetings of the Association of Casualty & Surety Executives and the National Bureau of Casualty & Surety Underwriters induced a large turnout. Many officials are members of both organizations.

At the association gathering J. A. Nelson, president New Amsterdam Casualty, was elected president, J. M. Haines, United States manager London Guarantee, vice-president, and C. W. Fairchild, re-elected acting manager.

Executive committee membership was increased from 15 to 18. The additions are: Continental Casualty, Fireman's Fund Indemnity and General Accident. Continuing companies are Indemnity of North America, Globe Indemnity, National Surety, Massachusetts Bonding, Fidelity & Casualty, United States Fidelity & Guaranty, Employers Liability, Ocean Accident, Maryland Casualty, American Surety, Aetna Life, Great American Indemnity, Hartford Accident, Travelers, and Metropolitan Casualty.

The secretary-treasurer's office will be filled by the executive committee soon.

The report of Mr. Fairchild dealt with activities during the past six months. He reviewed legislative measures, of which nearly 2,000 affecting insurance interests in some degree were proposed in different states. All were given careful scrutiny.

National Bureau Matters

The report of General Manager William Leslie which featured the meeting of the National Bureau was most comprehensive. After reviewing important changes in administration effected last October, Mr. Leslie presented tables showing underwriting results for 1936, and noted in turn examination of the bureau by the New York department. He said the retrospective plan for rating compensation is now in effect in 17 states, District of Columbia and Alaska. He cited the extensive changes in automobile rates in different states. Continued study has been given automobile policy forms, and manual rate revisions were effected in the boiler and machinery, burglary, liability and plate glass departments.

Reference was made to activities of the claim and conservation departments and to effective service of the publicity

(CONTINUED ON PAGE 46)

Amazing Story in Bay State Probe

Commonwealth Mutual Started With "Dummy" Officers, \$15 a Week Head

DE CELLES BROUGHT IN

Witness Charges Commissioner Knew of Setup—Only "Suspicion" of It, He Says

Statements of Commissioner DeCelles of Massachusetts concerning the defunct Commonwealth Mutual Liability were controverted by the former general manager of that company in a hearing before the special legislative committee investigating Commonwealth Mutual. The witness was Ray Latshaw. He declared Mr. DeCelles had been apprised of the dummy setup in the directorate of Commonwealth Mutual before it was licensed. He declared he discussed the whole matter with Mr. DeCelles freely in the closing days of 1935, just before Commonwealth Mutual was licensed. He said Mr. DeCelles knew that Frank Cohen of New York and Thomas Black of Boston were really the principals. Mr. Cohen will be remembered as the dominant factor in the old Lloyds Casualty.

DeCelles' Testimony Denied

Latshaw stated that Mr. DeCelles knew of the interlocking relationship in the board of Commonwealth Mutual, the agency company and premium financing company. Mr. DeCelles in his testimony stated that he had only a suspicion as to the real relationship of those three instrumentalities as late as October of last year.

Another witness was H. P. Fielding, principal receiver for Commonwealth Mutual. He said the president of Commonwealth Mutual was E. P. Annis, an automobile salesman. He was paid \$15 a week. A. E. Skillings, a WPA worker, was vice-president and treasurer. I. P. Lotkin, a garage worker, was secretary. The following were the directors: F. J. Carey, salesman; Alexander Jones, jewelry salesman; David Hurwitz and Max Perlstein, physician, and E. S. Ryan, general counsel.

Three days and three witnesses proved sufficient to disclose one of the most amazing stories of the creation of a "dummy" officered automobile liability insurance company foisted on the state of Massachusetts in the closing hours of the year 1935, with an interlocking exclusive general agency and a premium financing company, which collected \$930,000 in premiums with a \$15 a week president in charge, and then folded up at the end of 12 months with outstanding claims of \$500,000 to meet which there were some \$274,669 in assets.

Mr. DeCelles was the first witness. He was followed by Mr. Fielding, receiver for the company. The most interesting witness was Mr. Latshaw. The committee queried the three witnesses and then went to New York to interrogate Mr. Cohen.

Black Had Resignations

Latshaw testified that Black had the undated signed resignation of nine directors who were to be superseded by other directors as soon as Commonwealth Mutual got well under way. These resignations were never accepted and Commonwealth Mutual carried on throughout its 11 months existence virtually without a board. Latshaw tes-

Goes Up a Notch



CHARLES A. BARKIE

NEW YORK, May 5.—Neal Bassett, United States manager of the Accident & Casualty of Switzerland, announces that Charles A. Barkie, United States branch secretary, has been appointed a United States assistant manager. Mr. Barkie is well known to the casualty world, having long been engaged in the business. He was a vice-president of the Norwich Union Indemnity when he resigned to become United States branch secretary of the Accident & Casualty. Through this appointment the company now has two assistant managers, the other being Ogden Davidson.

tified the commissioner had knowledge of this situation.

Receiver Fielding testified that Commonwealth Mutual had far less than the \$100,000 in premium deposits required under the law when it was licensed and that it had no guarantee capital. He said Black and Cohen were the men principally interested although they had no official connection.

The loss paying system was peculiar, he said. For a long time claims paid stood at \$38,000 and then \$250,000 in claims was paid in 10 weeks. When the receivers took hold, claims numbered about 5,000. Outstanding claims were estimated at \$300,000 to \$350,000 at the lowest against which assets totalled \$174,669. Mr. Fielding said an assessment will probably be levied upon policyholders.

Money Sent by Cohen

Commissioner DeCelles told the committee he had required the most rigid qualifications ever imposed on a company when he admitted the Commonwealth and had kept it under constant inspection during its short life. While maintaining he knew of nothing irregular about the company, and that he had under the law to admit the company, the commissioner stated he "thought he had made it foolproof." He disclaimed knowledge of interlocking directorates with the State Underwriters Insurance Agency and the Insurance Premium Finance Corporation, stated he had forced the company to reduce its 30 percent commissions to the general agency to 12 percent, and had brought about some changes in the management and officering midway in the year. The commissioner admitted it was reasonable to suppose the company was taking "bad risks" and he was questioned sharply about the fact the company had only \$78,000 of the legally required \$100,000 in premium payments when the license was issued Dec. 31, 1935. The commissioner stated the company produced two checks for \$22,000 to make up the difference and as the checks were not cleared he demanded and secured bonds for \$25,000 as additional security. He

(CONTINUED ON PAGE 45)

Advice Is Given Regarding Automobile Cover in Mexico

NEED DOMESTIC CONTRACTS

Suggestions Are Made as to the Insurance by Motorists Who Tour the Country

Under the Mexican laws it is a criminal offense for an automobile driver to strike a person with his car and the motorist who is unfortunate enough to have such an accident in Mexico will be arrested and his car seized, according to President R. H. McLarry of the Dallas (Tex.) Insurance Agents Association. Many agents in the southwest are advising their assured not only to have the proper endorsements put on their automobile policies but also suggest the buying of a Mexican company policy in order to have benefit of the political influence the Mexican concerns have in their own republic.

Need Mexican Company Policies

As yet the American companies do not have any claim setup in Mexico for rendering prompt service on accidents and the average Mexican official will not recognize the American insurance company's policy, even though it is properly endorsed to protect the assured in Mexico. The Mexican policies can be bought for a short term and if the fire, theft and hail damage is limited to \$600 will cost about 50 cents a day; the public liability limits on such a policy, however, are \$1,500 and \$3,000 and there is a \$25 deductible on the collision clause. A 30-day policy written by a Mexican company earns a 10 percent discount from the day rate.

The automobile underwriters in Mexico deplore the large settlements made in the United States in personal injury cases and are keeping the limits low on their policies to prevent what they call the "racket" from coming into their country. Nearly all of the personal injury cases in Mexico are settled for small amounts.

The agents of the southwest are now attaching a red sticker to their automobile policies reading: "Mexico: This policy does not provide coverage while the automobile is in Mexico unless so endorsed. Communicate with us and secure proper endorsements."

Central Surety New Officers

KANSAS CITY, May 5.—Earl A. Davis, manager of the Pacific Coast department of the Central Surety, has been elected a vice-president. Ray W. Jones, assistant to Mr. Davis at San Francisco, is elected an assistant secretary.

Moffett Kansas City Manager

KANSAS CITY, May 5.—W. F. Moffett, formerly assistant manager of the U. S. F. & G. at Oklahoma City, has been named branch manager here to succeed Gordon Fisher, resigned. He has been in the insurance business in Oklahoma almost 30 years, as agent, general agent and company man.

Voogt Is New Treasurer

SAN FRANCISCO, May 5.—W. G. Voogt was elected treasurer of the Associated Insurance Fund, Inc., at the annual meeting, succeeding D. W. Burbank, resigned on account of absence abroad.

Neal Bassett, United States manager of the Accident & Casualty of Winterthur, Switzerland, is back from a visit to its office, returning on the "Normandie" some days ago. While abroad he spent a little time in Austria, Hungary, Italy, France and Britain, after leaving Switzerland.

R. O. Fleming & Co. of Seattle have taken over the agency of H. K. Sanders.

Alexander Office's Birthday Meeting

"Plus" Agency of "Plus" Men Is Objective of Great Chicago Organization

AIMS TO SELL ALL LINES

New Manual and other Aids to Brokers Are Presented—Interesting Figures Given

A meeting so unusual as to be almost unique was held Monday by the W. A. Alexander & Co. agency in Chicago. The occasion was the 52nd anniversary of the agency, founded in 1885. It was not so much a sales meeting as a review meeting. There was a morning session, followed by a luncheon without speeches. About 100 full time salesmen attended.

The period from 10 o'clock to 11:45 accommodated 10 speakers, as well as the introductions and remarks of two presiding leaders and the opening talk by Wade Fetzer, president. The period from 11:45 to 12:30 was used for the presentation of a new sales manual. The luncheon was set for 12:45 and closed at 2 o'clock, and the program from beginning to end was never more than one minute off schedule.

Each speaker was a broker or department head and his talk illustrated the value of some phase of the service rendered by the agency.

Building a "Plus" Agency

There was no beating about the bush on the purposes of the agency. The purpose is to build a plus agency, with plus salesmen and to develop the outstanding blue ribbon insurance sales organization of the country. It was frankly announced that the agency had no room for drones. The emphasis at the meeting was on selling a customer all the insurance he needs and that is the object of the new manual distributed at the meeting. This manual tells enough about every kind of insurance for a broker to talk intelligently to a customer. The service department of the agency will furnish experts when needed on any line. The results of two enlightening surveys were presented. One was on the buying practices of the public, based on answers to a questionnaire, and the other was a study of accounts on the books.

What the Public Wants

Analysis of the answers to the questionnaire showed that 27 percent of buyers cover the hazard most likely to occur, while 73 percent cover the hazard where disaster would be most serious; 23 percent place all their insurance with one agent, and 77 percent scatter the business; 7 percent expect the agent to supply insurance at lowest possible cost, while 93 percent want the strongest possible insurance; 13 percent want the agent to tell them only about the insurance in which they are interested, while 87 percent desire the agent to present all possible hazards, with recommendations; 7 percent regard the agent as of little or no value, while 93 percent regard his service as essential; 7.5 percent select an agent on his own merit exclusively, 37.6 percent make the selection primarily because of the agency in back of him and 54.9 percent take into consideration both the agent himself and the agency back of him.

The study of customers on the books made an astonishing showing. There are tens of thousands of customers, and the lines of all were analyzed. For con-

(CONTINUED ON LAST PAGE)



WHAT OUR AGENTS THINK ABOUT OUR AUTOMOBILE FINANCE PLAN

HOFFMAN INSURANCE AGENCY
ESTABLISHED 1921
DAYTON INDUSTRIES BUILDING • DAYTON, OHIO

April twenty-fourth 1937

Mr. Wm. L. Keating
Vice President
American States Insurance Co.
Indianapolis -
Columbus Ohio

My dear Bill:

The agent's beautiful dream -

Big premiums

Written on one call

Collected without making a call

is realized in Automobile Investment Corporation's financing
plan for American States Agents.

Our past month's operation shows in this
one-man agency a dozen finance deals with premiums of \$50.00
average size.

An orchid to American States who conceived
the plan of keeping the customers coming to the agent instead
of losing them to finance companies!

Yours sincerely,

HUGH H. HOFFMAN INSURANCE AGENCY
By *[Signature]*

hhh;2

If you are not one of
our two thousand
agents in Indiana, Illi-
nois, Ohio, Michigan,
Pennsylvania, Dela-
ware, New Jersey,
Washington, D. C.,
Maryland, Kentucky,
Tennessee, or Iowa
... write or wire our
home office immedi-
ately regarding
agency connections.

AMERICAN STATES INSURANCE COMPANY
Home Office • Indianapolis, Indiana

DUDLEY R. GALLAHUE, President

EDWARD F. GALLAHUE, Sec'y-Treas.

1937

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Miscel-
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10.6
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12.1
1.3
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23.8
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...
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1936

34.7%
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NEWS OF CASUALTY COMPANIES

Associated Indemnity Wins Wisconsin High Court Case

The Wisconsin supreme court has upheld the position of Associated Indemnity in its controversy with Commissioner Mortensen of Wisconsin.

Mr. Mortensen contended that the \$500,000 capital of Associated Indemnity did not meet the legal requirements. Associated Indemnity was first licensed in Wisconsin in 1931 and continued to operate there until 1935, when it withdrew. In 1936 it again applied for a license, which was denied.

Section 201.11 of the Wisconsin statutes which sets up capital requirements, has the proviso that "no such company shall be subject to higher capital requirements than those in effect when it began to transact the business of insurance in this state." The issue is whether Associated Indemnity lost the benefit of the exemption by withdrawing from Wisconsin in 1935.

The supreme court held that the statute is literally unambiguous. Insurance companies which were in business at the

time of the amendment and continue in business are permitted by the proviso to operate upon what is declared by the section to be an inadequate capital.

Mutual Benefit H. & A. Tax Suit in Arkansas Pending

A decision by Governor Bailey on employment of special counsel by Attorney-General Holt will determine whether Arkansas is to prosecute its suit to collect \$50,000 premium tax from the Mutual Benefit Health & Accident of Omaha. General Counsel G. J. Cleary protested the suit, claiming heretofore the association has been exempted from premium tax as it is on the assessment plan.

He said the suit was instituted by former Commissioner Gentry. Employment of special counsel by the state is subject to the governor's approval. J. C. Stevens, former deputy commissioner, is slated to handle the case for the state if the litigation is pursued. Mr. Stevens and his law partner, E. O. Heath, have been associated recently with Leffel

Gentry, assistant attorney-general and son of U. A. Gentry. Mr. Cleary's letter to the governor stated on a visit to Little Rock he found Stevens' office was adjoining that of U. A. Gentry.

Answer Empire Mutual's Suit

LANSING, MICH., May 5.—Michigan department officials charge the Empire Mutual of Chicago with several violations of the laws and also cite the record of the old Central Mutual of Chicago, formerly operated by Harold Shlensky, Empire Mutual's president, in an answer filed with the state supreme court in connection with the mandamus proceedings instituted by Empire against Commissioner Gauss. Empire seeks to be relicensed.

The department charges Empire wrote business in Michigan before it was authorized. Certificate of authority to Empire, then styled Central Mutual of Illinois, was granted Dec. 17. It has since been learned, the answer states, that 39 policies had been written before that date. Empire had been formed by Mr. Shlensky after the collapse of the old Central Mutual of Chicago. It is charged that Daniel Siegel, a director of the mutual, solicited 45 policies in Michigan before he obtained an agent's license.

The answer states that Empire's check for premium tax on business written during the last two weeks of 1936 was not received until April 20 although the statutory deadline is April 1. The statute provides a \$10 per day penalty for tardy payment of tax, it is stated, but no tender has been made of the \$190 in penalties.

Mr. Gauss points out the statute empowers him to issue licenses only to carriers which he considers "safe, reliable and entitled to public confidence." The commissioner does not consider Empire meets these specifications, it is stated, because of the record of the management.

Form New Oklahoma Company

The Trans-Western Surety & Insurance of Oklahoma City has been chartered with \$500,000 capital. Incorporators are Lloyd J. Mullen, R. O. Weems and M. S. Runyan, all of Oklahoma City. Officers will be elected shortly and details of organization completed.

Buckeye Union Convention

The Buckeye Union Casualty is holding an agency convention in Columbus, O., Thursday and Friday of this week. More than 900 are expected to attend. Presiding officers at the sessions will be President F. E. Jones, Jr., and Ira L. Morris, secretary and general manager.

Pacific Indemnity March 31 Figures

The Pacific Indemnity of Los Angeles as of March 31 had available for surplus account \$310,743 before provision for dividends. After providing for dividends totaling \$75,000, or 50 cents a share, there was credited to contingent reserve \$235,743. The total policyholders' surplus and contingent reserve March 31 was \$4,309,635 against \$4,573,892 Dec. 31.

Study Ohio Results

COLUMBUS, O., May 5.—The Ohio legislature adjourned in wild confusion and now insurance men are studying the results. The Ohio insurance division sponsored a number of bills introduced and Raymond Rhoads, assistant superintendent, was on duty in the legislature working for their passage. Insurance organizations offered practically no new bills, but they were called upon to fight a number of inimical measures. Measures passed included revocation of horse-thief law permitting the writing of insurance; requiring mutual health and accident companies to put up a deposit of \$50,000; establishment of four claims boards of three members each to hear and determine compensation claims. Another bill was passed requiring an actuarial audit of the workmen's compensation fund every five years. An-

ASSOCIATIONS

Casualty Actuarial Society Plans for Spring Meeting

The spring meeting of the Casualty Actuarial Society is set for May 14 at the Westchester Country Club, Rye, N. Y. L. S. Senior, president, will deliver an address on "Social & Economic Factors Relating to Casualty Insurance." There will be informal discussions on two subjects:

1. "Premium and Loss Reserves for the Casualty and Surety Business," (a) In what respects could present methods be improved? (b) Should not a reserve be provided against the recurrence of an unfavorable loss ratio in the bonding lines?

2. "Latest Developments in Connection with Occupational Disease Coverage Under Workmen's Compensation Laws," including (a) trend as to definition of impairment; (b) problem of accrued liability, (1) underwriting; (2) reserves; (c), underwriting criteria, and (d), preventive aspects. This discussion will be led by several members, who are affiliated with companies, bureaus and state authority.

Lunt Speaks in Columbus

E. C. Lunt, vice-president Great American Indemnity, addressed the Ohio Association of Casualty & Surety Managers in Columbus Tuesday, telling of the recent fidelity bond production campaign in New York, and making suggestions regarding the campaign which is to be staged in Ohio. Many outsiders attended the meeting, including officers of the Ohio Association of Insurance Agents, who later held a meeting at which association matters were discussed.

Adjusters' Outing June 17

The Casualty Adjusters Association of Chicago will have its golf outing June 17 at the Tam O'Shanter Country Club. Frank Baldwin of the Illinois Bell Telephone Company, is chairman of the golf committee. Those desiring to attend may make arrangements through him or through Dan W. Elliott, Bankers Indemnity, president of the club, or R. T. Luce, Autoist Mutual.

Plan Los Angeles Golf Tourney

LOS ANGELES, May 5.—The Casualty & Surety Field Men's Association of the Pacific Southwest will have an afternoon of golf, with a banquet and entertainment program in the evening, at the Hacienda Country Club May 14. C. C. Cattermole, special agent Great American Indemnity, is president.

Tanner Is Memphis President

M. S. Tanner, manager of the Fidelity & Deposit, has been chosen temporary chairman of the newly organized Memphis Casualty & Surety Club.

other requires the filing of death claims under the workmen's compensation act within six months after death.

Broad Service Station Form

SEATTLE, May 5.—Robert Moloney, vice-president Groninger & Co., general agents, announces a new broad coverage, combination service station policy, which in the past was available only to large oil companies on the coast. It is written by the St. Paul-Mercury Indemnity.

CASUALTY MAN

24 years experience, Casualty, Fidelity and Surety. Now employed, desires Chicago connection. 20 years supervisory work. Admitted to Illinois Bar.

ADDRESS F-74, NATIONAL UNDERWRITER



A SPRING TONIC that's Easy to Take!

Now that trees are beginning to turn green again—may we suggest a spring tonic that's easy to take? One that is guaranteed to build up Old Man Business.

We refer to our line of Contractors' Bonds—so much in demand during the annual spring building activity. . . . And we believe we have something extra special in this coverage, not only because of the reasonable cost, but also because of the fine protection it affords.

It will make money this year for agents who fly the Ohio Casualty banner and it could make money for you. An inquiry mailed to the address below will bring full details.

THE OHIO CASUALTY INSURANCE CO.

Home Office

Hamilton, Ohio

Automobile Accident

Full Coverage Automobile

Liability

Plate Glass

Burglary

Fidelity and Surety Bonds

LEGISLATIVE • DIGEST •

AUTOMOBILE

Rhode Island—Compulsory automobile liability insurance bill killed in closing session. Safety glass bill passed.

Missouri—The senate has passed the state automobile drivers license bill requiring no physical examination but providing for suspension or revocation of license after conviction for serious traffic violations.

COMPENSATION

Nebraska—The bill extending occupational disease compensation to include battery manufacturers has been passed and sent to the governor. Only smelters were included in the old law.

Rhode Island—Act passed including silicosis as occupational disease.

Oklahoma—House bill 69 pending in conference committee of both houses transfers control of the Oklahoma state insurance fund from the state industrial commission to board of managers. It provides for a state fund commissioner to be appointed by the governor. It permits the fund to write combined workmen's compensation and employers' liability on the same footing as regular companies.

Iowa—Bill passed increasing employer's liability for hospitalization.

Wisconsin—The assembly has engrossed a compensation amendment to include employers of one or more persons, instead of three or more as now provided. Employers of farm labor and domestic servants would be exempt.

Michigan—A substitute occupational disease bill has been reported favorably by the house labor committee. The measure replaces another passed by the senate.

The new version of the bill fairly closely resembles the measure as it was introduced in the senate. It provides for compensating 31 diseases and ailments peculiar to various industries, including silicosis and asbestosis, but a \$3,000 award limit is provided for the "dust diseases" and provision is made that no award shall be given in such cases unless there is total disability. Hernia is also included in the compensable list. A medical board of seven physicians, including several specialists, is set up under the measure to provide for diagnosis and advice to the compensation commission of the department of labor and industry. There is a general limitation in the proposed act to the effect that disablement or death must take place within a year from the last injurious exposure.

ACCIDENT AND HEALTH

Iowa—A revised measure was passed prohibiting licensing of new assessment life, health and accident associations.

SURETY

Michigan—An additional two-year suspension of the depository bond requirement for deposits of public funds is provided by the Watson house bill. The present law reinstates the requirement on July 1.

Iowa—Pass bill permitting insurance companies other than life to write bail bonds in criminal cases. The act will permit automobile clubs to post bail for members after arrest for highway accidents.

Nebraska—The state monopoly bonding bill that Governor Cochran caused to be introduced reposes in a legislative committee, along with the one later sent in by him to repeal the law calling for bonding of contractors in connection with highway construction. Observers say neither one has much chance of reaching the floor because of the near approach of adjournment and the fact

that members are more interested in their own pet measures.

Fractional Disability Idea Is Ruled Out in Nebraska

LINCOLN, NEB. May 5.—The April bulletin of the Nebraska compensation court announces the following ex parte rulings:

Lump sum settlements or settlement agreements based on disability set forth in fractions will not be approved.

Attending physicians and surgeons

are paid in compensation cases for their services in an amount approved by the compensation court, and a part of that service is to make a full report showing, if possible, the end results of an accident.

Accident and health policies, being limited in character, cannot be accepted as covering employer's liability. Some agents are selling these policies on the representation that they protect the employer under the compensation law.

Minnesota Bureau Elects

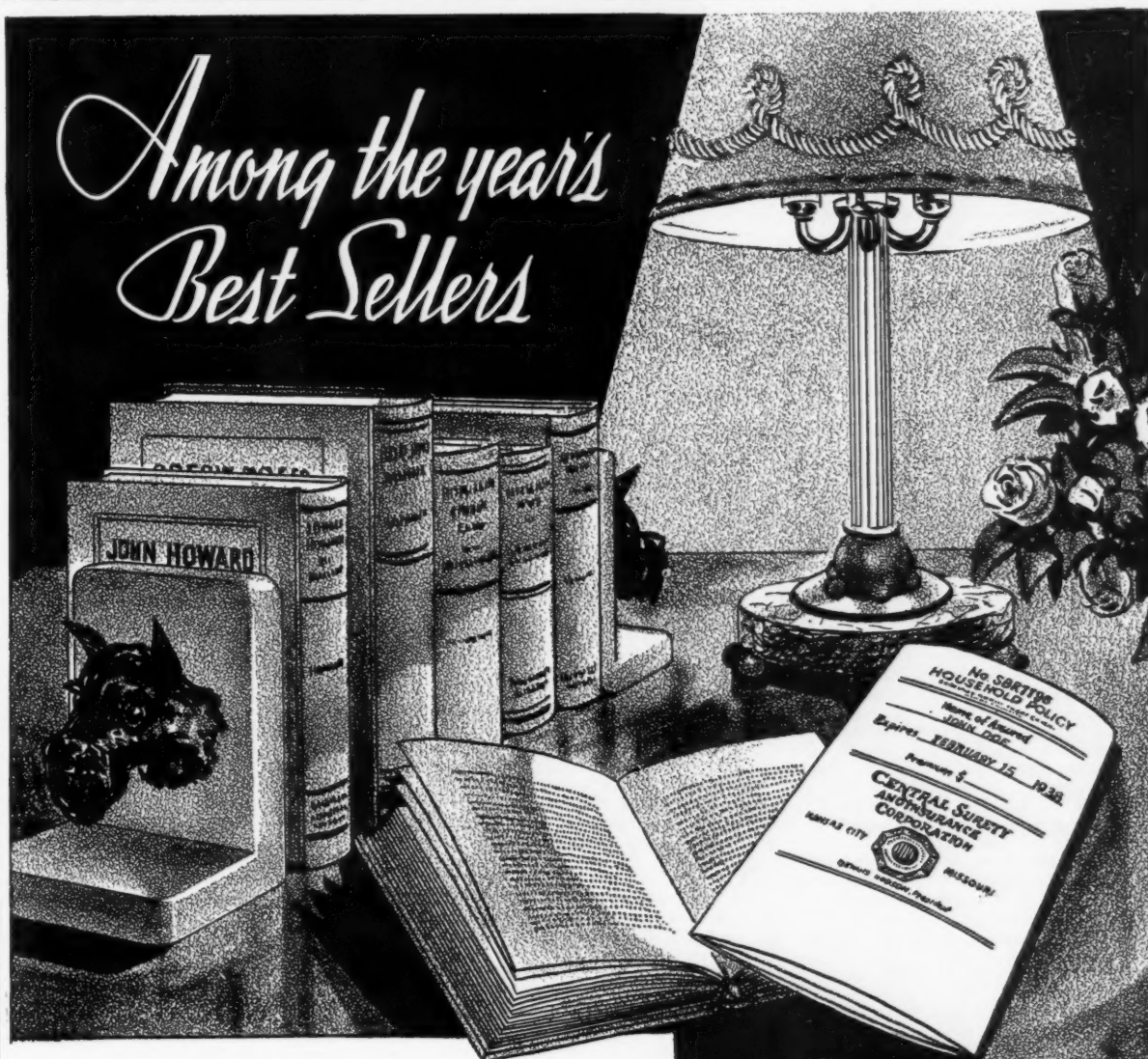
MINNEAPOLIS, May 5.—At the an-

nual meeting of the Minnesota Compensation Rating Bureau, the Travelers and the Liberty Mutual were named on the governing committee. The Aetna Casualty and Employers Mutual Liability were reelected members of the rating committee.

Travelers Meeting in Wichita

The Travelers held a district sales meeting of casualty agents in Wichita, one of a series of four held in Kansas.

The A. G. Edwards agency and the Thomas Graham agency, **Del Rio, Tex.**, have merged.



A Burglary, Theft, Larceny, Robbery and Personal Holdup Policy to satisfy the requirements of a modest household, with an appealing premium charge.

CENTRAL SURETY AND INSURANCE CORPORATION

KANSAS CITY, MO.

DENNIS HUDSON President

ADMITTED ASSETS
\$5,529,150.53

CAPITAL
\$1,000,000.00

SURPLUS
\$1,078,659.74

OTHER LIABILITIES
\$3,450,490.79

CASUALTY PERSONALS

John D. Frazee, Omaha manager of the American Surety, last week observed his 25th anniversary of affiliation with the company. Office employees presented him a bouquet.

M. L. Johnston, 56, for some years Indianapolis manager of the Fidelity & Casualty and more recently in the general insurance business, died there.

W. T. McClain, 91, organizer and for many years secretary-treasurer of the Farmers Mutual Liability of Indianapolis, died at the home of a son there.

C. H. Stevenson, superintendent of agencies Norwich Union Indemnity, is on a tour of the middle west.

J. M. Haines, United States general attorney for the Phoenix-London group, has sailed from New York on the Aquitania for London for a visit to the head offices of his companies and to view coronation ceremonies. Mrs. Haines accompanied him. They will probably return in a month.

Henry S. Ives, formerly special counsel of the Association of Casualty & Surety Executives and now connected with the Constitutional Democracy Association of New York City, was the main speaker at a meeting of the Rotary Club of Dansville, N. Y., recently. He discussed the Supreme Court packing issue.

J. F. Mitchell, United States manager of the General Accident, who suffered a nervous breakdown some months ago, is still unable to undertake his duties although he is up and around and occasionally visits the office. Mr. Mitchell is a hard worker and evidently kept at his task too strenuously.

J. F. Gildea, a member of the actuarial department of the Travelers accident insurance department at the home office, has been winning honors in two varied sports, contract bridge and bowling. He, with three other Hartford bridge players, including Elliott Brown of the Travelers' casualty underwriting department, represented southern New England in the recent grand national finals conducted by the United States Bridge League in New York City. Although the Hartford card-shufflers did not win the competition, they defeated the famous Four Aces in three games. At bowling, Mr. Gildea was a member of the Travelers team which won first place in the All-Insurance League finals in Hartford.

Isaac Miller Hamilton, president of the Federal Life, Chicago, who is on a trip around the world, and a traveling companion, Col. E. A. Powell of Washington, staged a sit-down strike on a Russian airliner at Kharkov, which enabled them to arrive in Moscow in time to see the May day parade.

They boarded the plane at Baku on the Caspian sea for Moscow, but when it reached Kharkov, 400 miles away, the pilot announced he was returning to Baku. The Americans refused to get out of the ship and demanded that it proceed to Moscow. Finally officials of the airline ordered the plane to take its passengers to Tula, near Moscow, and provided an auto to the latter city.

Mr. Hamilton went on to Leningrad Monday, according to word received at his office in Chicago.

Fred W. McIntosh, 56, western personal service department representative of the Monarch Life, with headquarters in Chicago, died there last week. Mr. McIntosh had been in poor health for some time. He underwent a serious gall bladder operation last January and spent some time in Florida thereafter but had never fully regained his health. He was taken to a hospital for an emergency

mastoid operation and was unable to rally from it because of his weakened condition and the fact that the gall bladder infection had apparently not been entirely eliminated.

He had been with the Monarch Life 12 years, establishing the company's first agency in Des Moines and later representing it in Los Angeles before going to Chicago in 1929 as manager of its agency there. In 1933 he was made home office representative, with supervision of claim work in several central western states. He was a veteran of the Spanish-American and world wars and was for a time in secret service work.

He had been especially active in the Chicago Accident & Health Association, serving as a director for several years and as chairman of important committees. High tributes were paid to his memory and his service to the association at its meeting this week.

SURETY

Discuss Idea of Excluding Liability for "Acts of God"

Due to some experiences in the recent Ohio river flood which fortunately have not turned out badly, some surety underwriters are discussing the desirability of inserting in their contract bonds a provision relieving the surety of liability for so-called acts of God. At Lawrenceburg, Ind., a sewage treatment plant was under construction in low lying ground at the time of the flood. The high water caused much damage to the construction. Fortunately the contractor was in sound financial condition and is completing the job. Had he been less solvent, he might have thrown up the sponge and the sureties would have been faced with the responsibility of completing the construction. So far as can be learned the flood did not result in the abandonment of any project to the sureties, but some of the underwriters have become impressed with the peril of acts of God and voice the opinion that this is a risk that the surety should not be required to assume.

Indiana Official Bond Ruling

INDIANAPOLIS, May 5.—Attorney-general Jackson holds deputies appointed by county auditors, treasurers, recorders, sheriffs, coroners or surveyors as contemplated by the state statutes are "public officers." This means that premiums for bonds on such deputies are payable from public funds. Heretofore it has been the practice for such deputies to furnish their own bonds, paying the premium themselves. Because of this expense for work which often did not return remuneration enough to justify the personal expenditure in the opinion of the deputy, in many cases deputies have not been properly bonded, which left surety companies holding an excess of risk on the principals, as they were chargeable for defaults of their deputies. It is felt that this opinion opens the way not only to more direct business on deputies but it also protects their bonds written on county officials.

Bond Only Department Heads

LITTLE ROCK, ARK., May 5.—Supported by an opinion of Attorney-General Holt, State Comptroller Goff expects to proceed with cancellation of surety bonds purchased at the state's expense for deputies and other employees of rank below department head. The opinion held that statutes authorize surety bonds only for department heads. The comptroller will ask refund of any premiums found to have been paid illegally.

COMPREHENSIVE ALL RISK PUBLIC LIABILITY POLICY

No matter how many Public Liability policies an assured purchases, invariably there are a certain number of hazards which are not covered. Our All Risk Public Liability Policy overcomes these difficulties because it covers every known and unknown public liability hazard imposed by law. Write for proposals and detailed information on Our All Risk Public Liability Policy **underwritten by prominent underwriters.**

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MODERN BUSINESS
MODERN LIABILITY INSURANCE**

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PUBLIC LIABILITY
INSURANCE**

Great Lakes Casualty Company
Detroit, Michigan

the district. His experience in surety underwriting extends over 25 years, his first connection being as a clerk in the Washington, D. C., office of Fidelity & Deposit. He is a graduate of Georgetown University. Some years later he organized the fidelity and surety department of the Jersey City agency of Schenck & Schenck, leaving in 1923 to become manager of the branch office of Metropolitan Casualty in this city. Five years later he joined the official staff of the Standard Surety & Casualty, retiring from the post some months ago.

Manager for Texas Department

BOSTON, May 5.—The Employers' Liability has appointed J. M. Pernollet resident manager of the Texas department for the three Employers group companies with offices in the Republic National Bank building, Dallas. He succeeds J. E. Holmes, resigned.

Mr. Pernollet started his insurance career with the George H. Maginnis agency in New Orleans. In 1930 he became associated with the gulf department of the Employers' group at New Orleans, first as an underwriter and more recently as manager of the casualty department, under H. R. Egloff, resident manager there.

Mr. Holmes has resigned and will enter the general agency field in Florida about July 1. He has been with the Employers over six years. He was with the D. A. Fisher office in Memphis as manager of the casualty and surety department for five years, for three years with Strickland & Davis, Jacksonville, Fla., and four years as the Continental Casualty's southeastern manager.

New Setup in Indiana

H. M. Gee, new Indiana manager of the Metropolitan Casualty and Commercial Casualty, assumed his duties in Indianapolis Monday. C. R. Hamilton, special agent for southern Indiana for a number of years, will continue in this connection. G. E. Armstrong, also special agent of that office for several years, has gone with Landers & Landers. W. J. Whiteside, assistant superintendent of the Metropolitan and Commercial Casualty at the home office, is in Indianapolis looking after details involved in the change.

W. B. Wise Now Vice-President

NEW YORK, May 5.—W. B. Wise has been elected a vice-president of the Excess. He has been in charge of that reinsurer's claim department for two years. Previously he was with the Fidelity & Casualty, where he gained his adjustment training.

N. I. Barry Has Resigned

N. I. Barry, superintendent of claims fidelity and surety department at the head office of the Ohio Casualty of Hamilton, O., has resigned in order to allow his wife to be near her mother in Chicago, the latter being in poor health. Mr. Barry has taken a residence at 1019 North Humphrey avenue, Oak Park, Ill. He was formerly with the Globe Indemnity, the London & Lancashire Indemnity and then the Southern Surety in Chicago. He is an expert claim man.

Simmons With Maryland Casualty

Paul J. Simmons, who has been with the Chicago office of the Travelers for 13 years, becoming casualty underwriter in charge of the counter, has gone with the Maryland Casualty in its underwriting department under the supervision of Resident Manager C. L. Gibbons.

Ginsberg Boston General Agent

S. J. Ginsberg, 33 Broad street, Boston, has been made general agent of the Commercial Casualty. W. P. Bonin of the agency of Boit, Dalton, Church & Hamilton, and previous to that with the Aetna Life companies, is made underwriter in Commercial Casualty's casualty and surety department. He will re-

Special Men Being Trained

Employers Liability Group Inaugurated a School of Instruction—Twenty-one Men Have Graduated

BOSTON, May 5.—A school for the training of special agents and specialized underwriters to work out of field offices throughout the country for the company has just completed its first year at the home office of the Employers Liability and the coming week will see 21 graduates released for special assignment to various offices.

W. A. Eakin, special agent in Chicago, was brought to Boston last winter to have charge of the school which opened Jan. 1, for a four months course. He has specialized in his instruction in policy contracts and has been assisted by officials of the home office in the payroll, claims, engineering, auditing and publicity departments, who have delivered lectures during the four months, United States Manager E. C. Stone also taking part in the instruction. The students were recruited for the most part from Boston and vicinity, many of the young men coming from the offices of the Employers Liability.

The graduates have been assigned to offices in New York, Philadelphia, Chicago, Detroit, Baltimore and other cities where they will work out of the local offices carrying into effect the results of their studies in the home office training school, which has embraced all casualty, liability and fire lines.

A second year course will be started the coming fall at which time Mr. Eakin will have the assistance of James R. Shively.

Cannot Transfer Iowa Funds to New York for Distribution

DES MOINES, May 5.—Superintendent Pink of New York lost an appeal in the Iowa supreme court, in his attempt to hold for distribution in New York, Iowa assets of the former Southern Surety. The court held it had no jurisdiction to hear the appeal because of the failure of Mr. Pink to make the Iowa attorney-general a party to the action which originated in receivership in the Polk county (Iowa) district court.

Decision in the lower court was that Iowa assets of Southern Surety should remain in Iowa for distribution by the Iowa commissioner as ancillary receiver.

Mr. Pink had sought to transfer all assets to himself for distribution under New York law. The Iowa supreme court held that decision on the validity of the trial court must await another appeal with the parties, including the Iowa attorney-general, properly joined. Because Mr. Pink failed to notify and join as defendant, the Iowa attorney-general, in the appeal, the Iowa supreme court is without jurisdiction to decide the case on its merits.

tain his interests in the Associated Insurance Agencies at Boston.

McConnell to Oklahoma City

John M. McConnell, formerly of Wichita Falls, Tex., is now claim manager for the Employers Casualty at Oklahoma City.

South Carolina Claim Muster

The South Carolina Association of Claim Men has been organized, the meeting being held at Columbia. T. M. McElveen, Columbia, was chosen president; Cliff Anderson, Greenville, first vice-president; Claude Martin, Spartanburg, second vice-president; H. G. Willingham, Columbia, secretary and treasurer. T. G. McLeod, Spartanburg; R. B. Fulton, Florence; E. H. Chalker and Frank Thrift, Columbia, constitute the executive committee. James E. Gay of Winston-Salem, N. C., president North Carolina Association of Claim Men, E.

R. McAuley of Charlotte, N. C., past North Carolina president, were present and gave talks.

Keefe Before Underwriters

W. D. Keefe, chief engineer National Safety Council, will address the Casualty Underwriters Association of Chicago at a luncheon meeting May 12 in the Field building grill, on "Automobile Safety as It Affects the Underwriter." W. H. Haines, Safety & Claims

Service, the new president, will preside at his first meeting.

Stone Sails for London

BOSTON, May 5.—E. C. Stone, United States manager of the Employers Liability and president of the Employers Fire and American Employers Liability, with Mrs. Stone and their daughter, sailed the past week for England where Mr. Stone will make one of his regular visits to the home office.



HOME OF "SERVICE THAT EXCELS"

General Accident



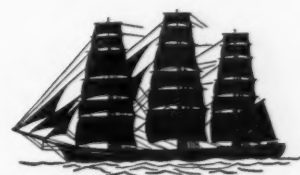
FIRE AND LIFE

ASSURANCE CORPORATION, Ltd.

FREDERICK RICHARDSON, Managing Director

JAMES F. MITCHELL, United States Manager

GENERAL BUILDING - 4TH & WALNUT STS. PHILADELPHIA



SEABOARD SURETY CO.

FIDELITY AND SURETY BONDS - CAPITAL \$1,000,000

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New Amsterdam

Casualty Company

A Progressive Surety and Casualty Company

POINTERS FOR LOCAL AGENTS

Contingent U. & O. Has Timely Sit-Down Strike Appeal

The recent sit-down strikes have emphasized the interdependence of modern industry. Time and again the press has called the attention of the public to the fact that a shutdown of operations at one plant, perhaps involving only a trifling percentage of employees in an industry, can tie up the entire industry. Similarly, strikes at plants manufacturing certain automobile parts, glass for example, have forced major automobile companies to suspend their entire production. It takes no great mental process to reason that the same results would follow should a contributing plant be closed by a fire, instead of by a strike.

While most insurance men know that there is such a form of coverage as contingent use and occupancy insurance, yet few of them have realized its practical application to their business. Few indeed are the industrial houses whose business would not be adversely affected by a shutdown at a contributing plant. Mercantile houses can be put in the same position by a shutdown which cuts off a supply of merchandise.

Single Customer Condition

Another aspect of contingent use and occupancy is not as well understood, but is just as applicable. This involves cases where a single customer is the sole or major source of sales of goods produced by a client. A shutdown at the customer's premises means a loss of business to the producer and this loss may be insured. For example, had the recent shutdown at the Hershey plant been caused by fire, windstorm or other physical damage, the farmers whose market for milk figured so prominently in newspaper accounts would have needed contingent use and occupancy insurance just as much as any other producer.

In general, any person or corporation whose income will suffer as the result of a fire or other disaster on the premises of another has an insurable interest in contingent U. & O. and in most cases should carry that coverage.

Will Draw Up Forms

Special risks departments of many fire insurance companies will draw up contingent U. & O. forms where needed. In the majority of cases, not much change in the standard form is needed. Any of the forms, per diem or contribution, can be used. It is simply necessary to state that if the business of the assured is interrupted by fire, windstorm, etc., on the described premises (meaning the premises of the contributing plant or the customer) the company shall reimburse the assured for actual loss sustained, subject to the usual limits or co-insurance requirements of the U. & O. policy. Some underwriters prefer to reword the provisions for reducing loss to state that the assured shall make all efforts to sell his goods elsewhere, if one is concerned with the premises of a buyer, or if a contributing plant is involved, it shall make all efforts to obtain material from other sources and shall do all it can to induce the contributing plant to resume operation. In either case, if the assured is able to sell his product elsewhere at a reduced price, or secure his material elsewhere at an increased price, the difference between his usual price and what he actually pays or receives is considered in determining the U. & O. loss.

Another point which should be borne in mind in writing the form is that no warranties should be imposed on the assured. The assured cannot in justice be compelled to warrant anything regarding the contributing plant, even that the contributor or customer will not commit arson.

Finished stock should also be included if the agent is dealing with a contributing plant, because finished stock at a contributing plant becomes raw stock at the assured's plant.

The final point to bear in mind is that it is the business of the assured that is being insured—not the business of the contributing plant. The amount of property damage loss or business interruption loss at the contributing plant or the customer's premises has no connection with the assured's recovery. It is only inter-

ruption of the assured's business that is to be considered.

Underwriters commonly charge the U. & O. rate at the contributing plant or the customer's premises. However, the policy covers the assured—not the other party—and hence should be countersigned and reported in the jurisdiction where the assured is located.

An interesting market for contingent use and occupancy, some business being reported as having been written, is among managers of chain stores and similar enterprises. These managers frequently receive a comparatively small salary, the major part of their compensation being a percentage of the store's sales. Should the store be closed by a fire or other disaster during the Christmas season or other busy period, the manager would suffer a material loss. He has an insurable interest in the store's continued operation and a contingent U. & O. form can be adapted to cover him.

Has Rates on Big Board

The Paige Kimball agency in Athol, Mass., has hung upon the wall in its agency two blackboards about 5 x 4 feet

in size, and on these has listed complete information about automobile rates on the leading makes of cars, sub-dividing for the various coverages. The board has been found very useful in talking to customers who come into the office and also, since this can be read across the room, anyone answering the telephone can give immediate answer to those making inquiry about automobile rates by a glance at the blackboard on the wall.

* * *

Spring Is Time to Sell Sports Liability

Spring is the time for agents to push sales on sport liability coverage. Sport accidents, especially those occurring in golf games, result in suits for heavy damages being filed. Recently in Chicago a caddy filed suit for \$5,000 against a Wilmette man, alleging he was struck in the head by a ball driven by the latter. Insurance can be had to cover liability and property damage arising from any sport or from golf alone.

General sports liability policies for public liability and for property damage take care of all sporting events, including use of firearms in hunting or target practice. Golf public liability alone may be sufficient for some clients. Property damage with a limit of \$1,000 may be added.

Golf players, caddies and bystanders may become plaintiffs. The shot does not necessarily have to be a wild one, as a San Francisco case showed. A player, standing on the green, was hit by a drive and won a \$10,000 judgment. The defendant was held guilty of negligence because he failed to call "fore" or give any indication he was intending to drive his ball. Even if the sportsman defends the suit successfully, litigation costs are excessive. There is a case of a professional golfer who collected \$2,500 because his fingers were injured when he was struck by a club swung by one of his pupils.

From now until winter thousands of people will congregate at places where sporting events are held. Naturally, the prospect will be among those who add to this congestion and hazards since most people engage in sports only on Saturdays, Sundays and holidays.

* * *

Material Costs Increase

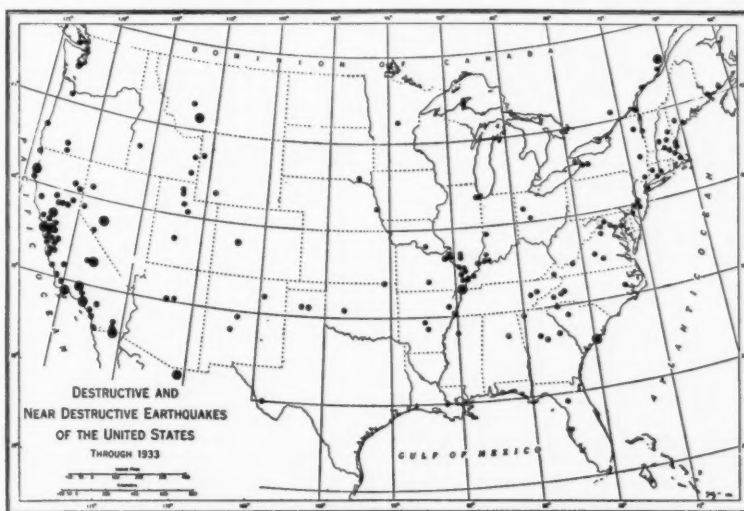
The American Appraisal Company has made a study of price analysis of four types of buildings, frame, brick, concrete and steel in 30 cities. The national average shows an increase of nine points within recent weeks. The steel prices show the sharpest increase, structural \$7, reinforcing steel \$10, black sheets \$11 at the mill, which means an average increase in percent at destination of approximately 16, 22 and 31 percent for these items.

The American Appraisal says that timber prices are swinging upward as is indicated by an increase of \$4 per thousand at the mill for a group of six structural grades of yellow pine and \$2.50 for a similar group of fir. At destination this approximates 9 and 8 percent increases respectively.

Masonry materials, that is, sand, gravel, crushed stone, cement and common brick continue to show but minor variations.

The average increase in labor rate for seven building trades is 5 percent. Apparently more can be looked for, the American Appraisal says. The millwork group shows an increase of 7 percent. Therefore it is up to agents to revise the insurance of their customers if they are underinsured.

'Quake Hazard Is Distributed



The "Hartford Agent," publication of the Hartford Fire reproduced this map showing with black dots the location of destructive and near destructive earthquakes in the United States through 1933. This was originally contained in a bulletin of the Seismological Society of America.

The Hartford Fire has had a most interesting experience recently with earthquake insurance. It had a \$30,000 earthquake policy on the school at Anna, O. An earthquake occurred in Anna on March 12 and another on March 19. Severe damage was done to the school building. It was condemned and the Hartford Fire paid a total loss under its policy.

Incidentally another earth shock was felt in Anna on May 2. Some of the residents were alarmed and left their homes but no damage occurred. Other towns that experienced shock at the same time were Botkins, Wapakoneta, Sidney and Jackson Center.

Vice-president James Wyper of Hartford Fire, in the "Hartford Agent" declares that the assumption that the possibility of earthquake damage to buildings is remote is widespread in this country and the consequent sense of se-

curity has led to the adoption of types of construction which in the event of an earth tremor are likely to sustain serious damage.

Seismologists, he states, do not accept that assumption. They state that there is no portion of the country that is entirely immune from earthquakes and there are a number of areas within which destructive or near destructive tremors have occurred.

Engineers agree with the seismologists that the damage done by shocks is in large measure avoidable and it is a public duty to see that every reasonable effort is made to guard against unnecessary destruction. Fires frequently follow earthquake. Mr. Wyper states that the careless builder or owner who through faulty construction contributes to the burning of the property of his neighbors can hardly be called a good citizen. Loss may be minimized by the application of common sense to the problems of location and construction of buildings.

Mr. Wyper cites as authority for much of his material Nicholas Hunter, chief of the division of terrestrial magnetism and seismology, United States coast and geodetic survey.

IN THE SOUTHERN STATES

Arranging for Arkansas Rally

Some Successful Speakers Will Appear on the Program at the Annual Convention

President Louis Rosen of the Arkansas Association of Insurance Agents is arranging the program for the annual meeting to be held at the Arlington hotel, Hot Springs, May 21-22. C. F. Liscomb of Duluth, chairman executive committee National Association of Insurance Agents, will represent that body. Col. T. H. Barton, president of the Lion Oil & Refining Co.; Commissioner M. J. Harrison of Arkansas; Sid M. Brooks of Little Rock, who will speak on advertising, and Oscar W. Beling of the Royal-L & L. & G. group at New York, who will talk on agency systems, will be on the program.

Regional Meetings Held by Virginia Association

Two additional regional meetings sponsored by the Virginia Association of Insurance Agents were held this week, one at Lawrenceville and the other at Petersburg. Subjects discussed at the meetings were the Business Development Office, supplemental contract, non-stock competition, the proposed state manager plan and the future legislative program. Speakers were Roger Clark, Fredericksburg, president state association; D. C. Hancock, Richmond, former president; J. D. Ewell, Richmond, chairman of the executive committee; Stuart Ragland, Richmond,

chairman of the membership committee, and Malcolm Jones, Virginia special agent of the Dixie with Richmond headquarters. Mr. Jones was selected to explain the supplemental contract.

Twelve other similar meetings have been held since the first of the year. In that period 51 new members have been added to the state association. Mr. Ragland is devoting attention to getting additional members. In addition to serving as chairman of the membership committee of the state association, he is regional membership chairman of the National Association for West Virginia, North Carolina and South Carolina as well as for Virginia. The meetings are not restricted to members of the association, all agents in each community visited being invited to attend.

Group Chairmen Named at Two Meetings in Arkansas

LITTLE ROCK, May 5.—At the meeting here of Group 3 of the Arkansas Association of Insurance Agents, speakers included W. F. Stredelman, assistant manager Arkansas Fire Prevention Bureau, and L. R. Martin, association manager. Guy R. Farris, Conway, presided in the absence of C. H. Richter, Little Rock, chairman. The new officers are: Arthur Ormund, Morrilton, chairman; Melvin Heard, Little Rock, vice-chairman, and George Kordsmeier, Morrilton, secretary.

An open forum discussion of insurance problems led by L. A. Rick, Little Rock, was the principal program feature at the annual meeting of Group 2 at Rogers. Van Howell, Fayetteville, was

elected group chairman to succeed H. H. Miller, Rogers. J. W. Sampler, member of the Arkansas legislature, was a speaker.

Sellers Returns to Adjusting

T. G. Sellers has resigned as San Antonio special agent of the T. A. Manning & Son general agency of Dallas to return to independent adjusting with the Griswold Adjusting Company of San Antonio. He is succeeded with Manning & Son by Erle Patrick.

Veteran Oklahoma Agent Dies

N. H. Patterson of Woodward, Okla., 63, one of the oldest and most widely known local agents in that section, died there. He was a member of the Patterson & Figley agency, having gone to Woodward 15 years ago from Guthrie, Okla.

Meeting of Local Board Officers

At the annual meeting of the Texas Association of Insurance Agents at San Antonio, May 27-28, there will be a pre-convention session of the officers and representatives of local exchanges to be held May 26 at 1:30 p. m. in the Gunter hotel.

The local exchange committee of the Texas Association of Insurance Agents

consists of R. B. Griffin, Waxahachie; W. D. Hoag, Denison; Charles Poulter, San Angelo; Maynard Robinson, Temple; F. F. Ludolph, San Antonio.

S. E. U. A. Annual Meeting

The annual meeting of the Southeastern Underwriters Association will be held at Hot Springs, Va., June 5-9. C. A. Bickerstaff, southern manager of the Fireman's Fund, is president.

Joins Texas Hardware Mutual

J. L. Walker, formerly one of the insurance supervisors in the Dallas office of the HOLC, has joined the field force of the Texas Hardware Mutual Fire of that city with headquarters at Waco.

No Ban on Comparing Companies

ATLANTA, May 5.—A. R. Wright, deputy insurance commissioner, holds that agents have the right to compare the financial strength of the companies they represent in competition for insurance business. A complaint was filed by E. G. Hitt against C. H. Bryant, both of Atlanta, asking that Mr. Bryant's license be revoked on the ground that he had criticised the financial standing of a company represented by Mr. Hitt.

After a hearing, Mr. Wright dismissed the complaint, holding that the commissioner has no power or authority to con-

Incorporated 1868

THE STANDARD FIRE INSURANCE COMPANY OF NEW JERSEY, TRENTON

FRANK J. BREEN, President

"A GOOD AGENCY COMPANY"

NEW YORK UNDERWRITERS INSURANCE COMPANY

CAPITAL \$2,000,000

A. & J. H. STODDART, General Agents

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FIRE - AUTOMOBILE - WINDSTORM
BUSINESS INTERRUPTION INDEMNITY

Two Louisiana Officials



THOMAS C. GRACE

Thomas C. Grace of the local agency of Bynum & Grace, Baton Rouge, becomes the president of the Louisiana Insurance Society. He has been prominent in the state organization and is a live young man. He succeeds Terrell



MATT G. SMITH

Woosley of Lake Charles. Matt G. Smith also of Baton Rouge, former state president and former member of executive committee National Association of Insurance Agents, was re-elected national councillor.

NORTHERN ASSURANCE CO. LTD. OF LONDON

A PROGRESSIVE COMPANY FOR PROGRESSIVE AGENTS

FIRE AND ALLIED LINES—AUTOMOBILE—INLAND MARINE

CHICAGO

NEW YORK

SAN FRANCISCO



S. Ryan, was the dominating personality. "The company," said Lotkin, "was a political cesspool, with most of the employees placed through influence from the insurance department, being either friends of DeCelles or Ryan." The whole company was a dummy setup from start to finish, declared Lotkin.

In the closing days, Lotkin testified he was called on to countersign checks of the company for \$1,000 and for \$2,000 for an attorney who had rendered no services, so far as he could learn, and when he protested he was informed by the representative of the commissioner placed in the company's offices that the checks were all right and that they had the approval of the commissioner, and he signed the checks under protest.

A new angle was given the investigation Tuesday when Representatives Mooris of Everett and Zimon of Boston announced their intention to file a bill in the legislature calling on the state to pay the losses of Commonwealth. Mooris insisted that "inasmuch as the

state permitted the company to exist and mult the citizens, the policyholders should not be asked to make good the deficits."

Casualty Bodies Hold N. Y. Parleys

(CONTINUED FROM PAGE 21)

divisions in aiding in preparation of material of interest to the public and in securing its appearance in magazines of national circulation.

Mr. Leslie was reelected general manager and E. E. Robinson, secretary. Membership of the executive committee as now constituted embraces: Aetna Life, American Surety, Bankers Indemnity, Continental Casualty, Fidelity & Casualty, Fireman's Fund Indemnity, Globe Indemnity, Great American Indemnity, Hartford Accident, Hartford Steam Boiler, London Guarantee, Mary-

land Casualty, Massachusetts Bonding, Ocean Accident, Royal Indemnity, Standard Accident, Sun Indemnity, Travelers, United States Fidelity & Guaranty and Zurich.

The two organizations intend leaving their offices at 1 Park avenue, which they have occupied for several years, and will remove to the downtown district, more convenient to company headquarters. A committee composed of three members each from the associated bodies was named to find the proper location.

The association voted to accept the transfer to it of the conservation work hitherto conducted by the National Bureau, the change to be effective as of May 15. Hereafter it will be operated as a unit of the association and titled the National Conservation Bureau. The publicity division of the National Bureau together with its library, the former in charge of Robert Monahan and the latter supervised by Miss Mildred Pressman as librarian, will likewise be taken under the wing of the association.

The proposed transfer of the claims department of the National Bureau, of which W. P. Cavanaugh has been and will continue to be manager, to the association will be effected as soon as details are worked out.

Experience Exhibit

According to the casualty experience exhibit, the underwriting profit was 5.8 percent of the premiums earned. Written premiums were \$568,880,996, increase 5.8 percent. Premiums earned increased 7.4 percent. The combined experience showed a total underwriting loss for the last seven years of \$110,333,958 or 2.9 percent on earned premiums.

Fidelity premiums earned the largest profit, showing a gain of \$9,296,472. Surety came forward with a profit of \$5,674,610, burglary \$5,393,130, automobile property damage \$5,057,971, automobile liability \$3,136,156 and accident \$2,337,109. Health insurance contributed the largest dollar loss. Plate glass, machinery, sprinkler, miscellaneous coverages also were in the red.

Taking premiums earned, credit insurance showed the largest profit with 38.9 percent on \$620,304 premiums. Fidelity led all the major lines with 24.7, percent profit. Burglary showed 22.4 percent and surety 14.9. Automobile liability came forth with a profit of 2 percent, the first gain since 1929. Workmen's compensation showed a gain of .6 percent.

While companies are endeavoring to hold down workmen's compensation premiums that line showed the largest increase of any of the major classes, both in dollars and in percentage gain. Compensation premiums written were \$120,275,380, increase 14.2 percent. Automobile liability showed a gain of 6.8 percent.

Names Service Directors

To aid in development of boiler and machinery, the engineering division of Maryland Casualty has appointed two service directors whose assistance will be available in six states; M. W. Palmore, traveling Pennsylvania, Ohio and West Virginia, with headquarters at Pittsburgh, while L. V. Edwards, from Atlanta, will operate in Georgia, Alabama and Florida.

In appreciation of the excellent work performed by J. P. H. Dewendt during the 15 years of his management of the boiler and machinery department of the National Bureau of Casualty & Surety Underwriters, officers of member companies tendered him a dinner, New York City, Monday evening, the affair being attended as well by representatives of a number of engineering institutions. D. E. Reese, vice-president Hartford Steam Boiler, acted as toastmaster, and on behalf of a number of Mr. Dewendt's intimates presented him with a set of china dishes, upon which was painted a reproduction of Commodore De Wendt's boat. The gift of employees of the department to the honor guest was a set of fine golf clubs, presentation being made by General Manager William Leslie of the National Bureau.

Alexander Office's Birthday Meeting

(CONTINUED FROM PAGE 22)

venience of understanding these were reduced to proportions in 1,000. It was found that 775 customers out of each 1,000 carry a single line with the agency. This is the more astonishing because if a customer carries automobile fire and theft that is counted one line, while automobile liability and property damage is counted a second line. Yet even with this fine analysis more than three-fourths of the customers are one line buyers.

The other figures were as follows: two lines, 158; three, 38; four, 15; five, 3; six, 5; seven, 2; eight, 4/10; nine, 4/10; 10, 4/10. Actual count disclosed actual number of policies per customer to be 1.34.

Analyzed by lines, the showing was even more striking. Of each 1,000 customers 248 carry fire insurance with the agency and 752 do not. The other lines showed: accident, 218 do buy other insurance from the agency, 782 do not; automobile liability and property damage, 111 do, 889 do not; auto fire and theft, 89 do, 911 do not; residence burglary and personal property floater (grouped to show some form of burglary protection), 89 do, 911 do not; workmen's compensation, 58 do, 942 do not; extended coverage, 12 do, 988 do not. The study is not completed.

Separate Department Established

Selling a full line is regarded as so important in the development of the sales ambitions of the agency that a special department devoted to that subject has been established under Wade Fetzer, Jr., vice-president. A survey sheet or "insurancecope" has been made available. Any broker who brings in a risk can have an analysis made to see what other lines should be sold. The agency some time ago established a survey department, so that the broker may have the help of experts. A new business card has been devised which is intended to facilitate opening the subject of complete coverage, or entrusting all the customer's insurance to one broker. An acknowledgment letter intended to promote friendliness and "sell" the agency to the customer will be sent out on the same day an order is received from a new customer. This letter mentions the broker's name twice.

The sales manual is on the loose leaf plan, nearly an inch thick, with sheets in the legalcap size and with strong covers. Every broker is urged to read the manual through at least once or twice to get a good understanding of the coverages available. He can then study sections as occasion requires in handling his customers.

The luncheon was very much a family matter. A resolution offered by J. A. O. Preus was adopted on the death of William E. Dickey, secretary of W. A. Alexander & Co., who died during the year. Tribute was paid to the memory of Donald O'Connor, an employee who passed away. Two new members of the 25 year galaxy were welcomed and presented with beautiful wrist watches. These were Miss Nelly Dorn and George T. Wilson. A check for \$100 was awarded to Dolph Cheline for the best contribution during the year to the suggestion box.

At the morning session J. P. Murphy, general manager, presided, giving place to J. H. Sherman, manager life department for the life portion of the program. Wade Fetzer, Jr., presented the new sales manual.

Live Stock Buyers Bonded

ST. PAUL, May 5.—Minnesota farmers were warned this week by the state railroad & warehouse commission to deal only with bonded buyers when selling livestock. Under a new law all livestock buyers must be licensed and bonded and there are now about 500 in that list.

Check in
at **DeWitt**
HOTEL

In CLEVELAND it's
The HOLLENDEN

In COLUMBUS it's
The NEIL HOUSE

In AKRON it's
The MAYFLOWER

In TOLEDO it's
The NEW SECOR

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You'll find friendly, attentive service at Hotel Syracuse. Food is excellent, rooms tastefully furnished, and there's an atmosphere of good fellowship which makes your stay in Syracuse so much more pleasant.

RATES	
Single	from \$2.75
Double	from \$4.50
Twin	from \$5.50

SYRACUSE, N. Y.
Fay B. Marenness, Mgr.

Streamline YOUR FIRE POLICIES

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WINDSTORM
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CIVIL COMMOION
•

AIRCRAFT AND
MOTOR VEHICLES
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SMOKE DAMAGE
•

LOSS OF USE
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BRING YOUR FIRE POLICIES UP TO DATE

INSURANCE, like everything else, is subject to progress, just as automobiles, trains and other means of transportation of former days have all been improved and made more efficient. Our regular FIRE insurance policies are brought up to date by the NEW "SUPPLEMENTAL CONTRACT," and are now as far ahead of the old fashioned, simple fire policy as the new streamlined conveyances are ahead of the old stage coaches.

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Firemen's Insurance Company of Newark, New Jersey - ORGANIZED 1855

The Girard Fire & Marine Insurance Co. ORGANIZED 1853
The Mechanics Insurance Co. of Philadelphia " 1854
Superior Fire Insurance Company " 1871
The Metropolitan Casualty Insurance Co. of N.Y. " 1874

Milwaukee Mechanics' Insurance Company ORGANIZED 1852
National-Ben Franklin Fire Insurance Co. " 1866
The Concordia Fire Insurance Co. of Milwaukee " 1870
Commercial Casualty Insurance Company " 1909

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THROUGH THE CENTURIES-WITH THE SUN



In the early seventeen hundreds travel was a laborious, difficult and sometimes, a dangerous procedure. All journeys were made by stage coach or on horseback and, due to the bad and at times, impassable conditions of the roads, little distance was covered in a day's time. There was also the chance of being set upon and robbed by the swaggering road-agents or bandits in some lonely part of the road.

An example of these tiresome journeys was illustrated when a clerk of the Sun Fire Office had to travel from London to York, a matter of about 188 miles, to investigate some detail pertaining to a claim. The trip, one way, took him six full days by coach.

How different is the method of handling business and claims of the Sun Insurance Office and its affiliated companies today. Whether it be a trifling loss or a great disaster, through the mediums of telephone, radio and cable, the home office of one of its world-wide branches is immediately available and ready to serve. All the forces of the modern world are put to use in serving the policyholders and agents of this, the oldest insurance organization in the world.



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